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Quadrilateral Trade Ministers Start Substantive Discussions

OW2004013396 Tokyo KYODO in English 0125 GMT 20 Apr 96

[By Nobuaki Fukai]

[FBIS Transcribed Text] Kobe, April 20 KYODO — Trade ministers from four major economies began substantive discussions Saturday [20 April] on the second day of their three-day quadrilateral meeting in Kobe to help draw up frameworks for an array of new issues on international trade.

The talks are aimed at laying the groundwork for the first ministerial meeting of the World Trade Organization (WTO) scheduled to take place in December in Singapore.

In the morning session, ministers from Japan, the United States, Canada and the European Union will discuss import restrictions invoked under multilateral environment accords, international rules for investment liberalization and trade restrictions relative to labor standards.

They will also discuss bribery by companies of industrialized countries to secure government contracts in developing countries, and an agreement to repeal tariffs on semiconductors and other information technology-related products.

China's bid for WTO membership will be taken up informally at the working lunch, where Japanese International Trade and Industry Minister Shumpei Tsukahara, chairman of the talks, is expected to call for support on Beijing's early entry into the global trade body.

In the afternoon, the ministers will discuss ongoing negotiations on liberalization of basic telecommunications services, a service- sector issue that remained unresolved under the Uruguay round of multilateral trade talks concluded at the end of 1993.

Fifty-one countries, including the quad economies, are negotiating a telecom deal under the WTO.

Foreign Minister Yukihiko Ikeda and Posts and Telecommunications Minister Ichiro Hino will join the telecom segment of the quad meeting to work for consensus among the four economies on the issue and give impetus to WTO telecom talks.

Quadrilateral Trade Ministers Agree To Pursue Tariff Accord

OW2004073396 Tokyo KYODO in English 0718 GMT 20 Apr 96

[By Nobuaki Fukai]

[FBIS Transcribed Text] Kobe, April 20 KYODO — Trade ministers from four major economies shared their commitment Saturday [20 April] to pursuing an agreement for mutually repealing tariffs on semiconductors and other information technology products to help invigorate the related industries.

At the session, the Japanese, U.S., Canadian and European Union (EU) ministers discussed the "highly concrete contents" of the information technology agreement (ITA), a Japanese official said.

"The four ministers seem to have studied their positions on the agreement beforehand although the subject had come up rather abruptly" on the agenda of the quadrilateral talks, the official said.

They talked about the scope of products covered by the accord, the target year for implementing the agreement, and whether to extend the ita to developing countries, he said.

The ITA has been negotiated between the United States and the EU. The four ministers are expected to call for an accord applying to each of their respective economies when they wrap up the three-day talks Sunday.

While Japan has already repealed tariffs on microchips, computers, software and other products, EU member states are under U.S. pressure to lower their relatively high tariffs on them.

Meanwhile, they discussed international rules for investment liberalization. They debated the need to extend to developing nations the scope of a multilateral agreement on investment which is currently under negotiation under the Organization for Economic Cooperation and Development (OECD), he said.

The quad ministers entered substantive talks Saturday after Friday's welcoming reception.

International Trade and Industry Minister Shumpei Tsukahara, chairman of the meeting, called for "a frank and open exchange of views" on trade issues for the World Trade Organization (WTO) summit in Singapore slated for December.

In the afternoon, the ministers are talking about ongoing negotiations on liberalization of basic telecommunications services, a service-sector issue which remained unresolved under the Uruguay round of multilateral trade talks concluded at the end of 1993.

Fifty-one countries including the quad economies are negotiating a telecom deal under the WTO.

Japanese Foreign Minister Yukihiko Ikeda and Posts and Telecommunications Minister Ichiro Hino joined the telecom segment of the quad meeting to work for consensus among the four economies on the issue and give impetus to the WTO telecom talks.

Quadrilateral Trade Ministers Enter Final Day of Kobe Talks

OW2104014096 Tokyo KYODO in English 0114 GMT 21 Apr 96

[By Nobuaki Fukai]

[FBIS Transcribed Text] Kobe, April 21 KYODO — Trade ministers from four major economic powers began the final session of their three-day quadrilateral talks in Kobe on Sunday [21 April] to discuss multilateral trade systems and other international economic issues.

Japanese, U.S., Canadian and European Union trade chiefs had discussed telecommunications and other trade issues Saturday in preparation for the World Trade Organization [WTO] ministerial meeting in Singapore in December.

On the final day, the ministers will exchange information on the Asia-Pacific Economic Cooperation forum, the Asia-Europe Meeting and other recent regional trade initiatives, and discuss multilateral commitments to reforming domestic regulatory systems.

They will wrap up the meeting by adopting a statement by Japanese International Trade and Industry Minister Shumpei Tsukahara, who chairs the talks, calling for further trade liberalization.

Earlier in the talks, the ministers reached a broad agreement to ease restrictions on foreign ownership of communications carriers as part of telecom service liberalization, an issue that the Uruguay round of global trade talks had failed to resolve.

Fifty-one countries, including the quad economies, are negotiating to strike a telecom liberalization pact under the WTO by the end of the month.

Meanwhile, the ministers agreed to deepen discussion on new international trade issues — including investment liberalization and trade restrictions on products made under severe labor conditions — by December's Singapore meeting.

'Full Text' of Quadrilateral Trade Meeting Statement

OW2104060396 Tokyo KYODO in English 0550 GMT 21 Apr 96

[FBIS Transcribed Text] Kobe, April 21 KYODO — The following is the full text of the chairman's statement for a three-day quadrilateral trade ministers' meeting which ended in Kobe on Sunday [21 April].

Ministers from Canada, the European Union, Japan and the United States held the [illegible]th quadrilateral meeting in Kobe to review recent developments in international trade and to continue planning and preparation for the Singapore ministerial conference of the WTO.

We emphasized the need for full implementation of WTO agreements by all members to reinforce the credibility of the WTO. We agreed to keep under review the situation regarding implementation, bearing in mind recent measures in violation of WTO obligations, such as trims. We look forward to the report of the general council on implementation.

We affirmed our strong commitment to the work of the committee on trade and environment on all items of its agenda. We reviewed its agenda with particular focus on eco-labelling and the relation between multilateral environmental agreements (MEAs) and WTO provisions. We recognized that these topics might be more ripe for specific recommendations to be endorsed by ministers. We also decided to support the establishment of this committee on a permanent basis.

We, the quad, strongly support the negotiation of an information technology agreement (ITA) which is an initiative for trade liberalization in the information technology industry, and reaffirmed our efforts towards its realization on the basis of mutual benefit.

We also instructed officials to explore the possibility of acceleration of tariff reduction commitments under the Uruguay round results, and to explore the possibility of further tariff reductions, and to report back to us at the earliest opportunity with a view to maintaining momentum for further liberalization.

As a further contribution to liberalization, we agreed on the desirability of completing the work program on accountancy by the time of the Singapore ministerial conference, of expanding the work program in 1997, and of the development of generic rules that could be applied to several professions.

Ministers responsible for the WTO basic telecommunications negotiations reviewed the current status of negotiations and reaffirmed their commitment to a successful conclusion by April 30. They decided to redouble their efforts to complete the negotiations by presenting their best MFN-based offers and strongly urged the other WTO members to follow suit. They concluded that other participants must significantly improve their offers. They reaffirmed the need to make additional commitments on regulatory principles by referring to the reference paper, which would substantiate market access commitments. Ministers reviewed the outstanding issues in the talks, particularly the possible risk that monopolies could distort competition in international services.

We reaffirmed the importance of concluding the maritime transport negotiations by June 30 and discussed the need for contributions from all participants in order to conclude the negotiations successfully.

Noting the built-in agenda under the various WTO agreements, we welcomed the offer by Canada to prepare a discussion paper on ways and means by which the successful completion of future work and negotiations contemplated under these agreements might be facilitated.

We reaffirmed our urgent commitment to successfully concluding negotiations on a multilateral agreement on investment under OECD auspices in the spring 1997. We recognize that informal discussions of investment have already begun in Geneva. Without in any way detracting from our determination to reach the OECD agreement, we agreed that an informal WTO working group should now be set up in Geneva with a view to establishing a formal WTO working group at the Singapore ministerial conference.

Recognizing that core labor standards are matters of human rights and that their development is the responsibility of the international labor organization, we agreed that the relation between trade and labor standards should be discussed at the Singapore ministerial conference with a view to determining how to proceed.

We agreed on the importance of enhancing the coherence between trade and competition policy, and agreed that this issue should be discussed at the Singapore ministerial conference with a view to determining how to proceed.

We took note of the important advances in the OECD to combat bribery and corruption in international trade.

We agreed to renew our efforts to expand membership in the WTO Agreement on Government Procurement (GPA) and to improve its disciplines through reducing barriers to government procurement. As a first step, we agreed to initiate work on an interim arrangement on transparency, openness and due process in government procurement, which would help to reduce corruption as an impediment to trade.

We emphasized the importance of transparency to enhancing the credibility of the WTO, and agreed to urge other WTO members to agree on procedures for derestriction of panel reports and other WTO documents.

We affirmed our view that we intend to work to expand WTO membership as rapidly as possible, on the basis of respect for WTO rules and the achievement of meaningful market access. In this connection, we believe that effective enforcement of intellectual property rights protection is necessary for confidence building among the members needed for accession.

With regard to regional trade initiatives, the last quad meeting suggested the establishment of the new WTO committee on regional trade agreements, and we welcome its establishment. We believe that regional trade initiatives must be consistent with and complementary to the multilateral trading system. With a view to building confidence in the relation between regional initiatives and the WTO, we exchanged information on our respective regional initiatives in the interests of transparency.

On regulatory reform, we agreed that ongoing work at the OECD should be supported, and agreed to explore a plurilateral MRA for telecoms equipment to remove regulatory barriers to trade.

We also underlined the need to deal with trade and development, having in mind the commitments taken at Marrakesh.

APEC Trade, Investment Committee Makes 'Good Progress'

BK2104101796 Singapore THE STRAITS TIMES in English 20 Apr 96 p 46

[Unattributed report]

[FBIS Transcribed Text] The Committee on Trade and Investment (CTI) of the Asia-Pacific Economic Cooperation (APEC) forum has made good progress on harmonisation of Customs procedures during its meeting in Singapore, said chairman Christopher Butler.

Besides agreeing to make more information such as investment guidelines in member economies available electronically, it has decided to ask Australia to conduct a survey on visa procedures, to improve mobility of people within the region, later this year.

"Many of these issues are of direct interest to the business community" Mr. Butler said at a press conference held yesterday after the two-day meeting.

Mr. Butler, who is from New Zealand, said progress on the Customs procedures front was possible, partly because of the long history of exchange and dialogue among APEC members on the matter.

Success in this area would provide a model on how the 18 member economies could cooperate in other areas, he added.

The CTI was tasked to examine how the APEC free trade action agenda set out at its leaders' meetings in Osaka last November could be implemented.

Beside Customs procedures, the CTI looked into possible cooperation in 14 other areas, including tariff and non-tariff measures, intellectual property rights, dispute mediation and competition policy.

The APEC leaders will meet, for the fourth time, in the Philippines later this year to review the progress of APEC cooperation.

Mr. Butler described the committee's work as a "long-term, consistent, serious process of building structure for the free trade and investment regime within APEC".

Asked what concrete, specific measures were likely to be announced at the APEC trade ministers' meeting in Christchurch, New Zealand, in this year, he said:

"We are engaged in hard work of a long-term nature, which will be rolled over into the following years. It is not high drama."

While some areas of discussion, such as intellectual property rights, might be new to the region, he said there had been no disagreement among the member economies.

He attributed this to the nature of the meeting, which was to seek cooperative understanding rather than collective agreements.

He pointed to three areas which APEC has demonstrated its usefulness in trade and investment discussion:

— It gives the member economies opportunities to achieve common understanding on various issues;

— It facilitates implementation of their common goals; and
— It allows members to build on and enhance what other trade groupings had achieved.

Mekong Nations Put Emphasis on Environment

BK2104094596 Bangkok BANGKOK POST in English 20 Apr 96 p 2

[Unattributed Report]

[FBIS Transcribed Text] Members of the Mekong River Commission [MRC] began exchanging views on a basin development plan yesterday for the first time since the body was formed last year.

Laos, Thailand, Cambodia and Vietnam have differing expectations from the plan but all stressed sustainable growth and the environment.

Drafting a plan is one of four priorities under the Agreement on the Cooperation for the Sustainable Development of Mekong River Basin.

The other three deal with water quality, environment and equitable sharing of water resources.

Experts from the four countries spent two days listening to the experiences of basin development from other countries, including the United States, Australia and Brazil on April 17-18, as part of the Mekong Basin Development Plan Insight Workshop hosted by the MRC and the United Nations Development Programme.

The workshop ends today and is immediately followed by a donors' meeting to provide guidelines.

Khy Tanglim, head of the Cambodian delegation, said: "Basin Development Plan is a very important step but it needs to keep in mind that vision without action is a dream and action without vision is a waste of time."

He urged the workshop to work on the plan to ensure integrated water resources development, realise "realistic" impact, and outline water utilisation and sharing.

"The plan should not focus simply on a river basin planning, but rather a regional one showing conflicting and complementary aspects of riparian countries. It should minimise the conflict between, for example, downstream-upstream interests," he said without naming countries.

Four representatives from regional non-governmental organisations and an environmental research institute also shared views on flood control, energy, water resources and ecological integrity in the basin with their counterparts from riparian states.

A representative from World Wildlife Fund urged the MRC to identify the water reserved area which involves the basin's bio-diversity as a first step in taking environmental concerns into consideration, while another from the Wetland International Asia- Pacific, sharing the view with Cambodian delegates, said floods have a great impact on the Tonle Sap and its ecology.

Officials said it would take two to three years and $4 million to study the basin development plan.

Kriangkon Bechaphuttra, head of the Thai delegation and member of the drafting team, said the plan will be multi-purpose and include the development of water resources, hydro-power, agriculture, irrigation, navigation and tourism.

And since it is in the first phase to draft the terms of reference, it is too early to say which sector will be given priority, he said.

Regarding environmental concerns, he said that it is better to address the issues in deeper detail on a case by case basis.

Mr Kriangkon said the northeast faced a number of issues, including low farm prices, labour shortages, limited water resources and excessive deforestation.

Therefore, "friendly relationship and the desire to cooperate among the riparian countries" are needed, he said.

Thailand has made it known for decades its need for water from the Mekong River. This has been a concern for Vietnam, a downstream country.

Vietnamese head Nguyen Trong Sinh spoke about problems in the Mekong delta which is the country's rice bowl and primary concern: intensification of land use, inability to salinity and flood, acid sulphate soils and increasing negative impact on the environment.

"Primary sector development in the Mekong Delta is to be pursued vigorously, however, it has to be realised that in the context of the national objectives and for reasons of sustainable resources management, development has to be prudent in order not to conflict with the overall governing policies," he said.

Hydro-power is given high priority by the Laotian Government.

According to Chanthavong Sai-gnasit, leader of the country's national basin development plan team, potential exports, exchanges and sales of electricity to neighbours are among policy objectives.

Laos has agreed to sell 1,500 megawatts of electricity to Thailand by 2000 with the expectation the export growth will continue beyond.

Recently, it also signed a memorandum of understanding with Vietnam to provide exports of 1,500-2,000 by 2010.

Flexibility Urged in Mekong Development Plan

BK2204023996 Bangkok THE SUNDAY NATION in English 21 Apr 96 p A2

[Unattributed report]

[FBIS Transcribed Text] Donors yesterday urged the Mekong River Commission to make its Basin Development Plan flexible, and to allow public and local participation in decision-making.

The development plan should not be a static document used by the Mekong commission to attract foreign investment and donations, they warned.

"The Basin Development Plan should be an ongoing project and the terms of reference should allow feedback from stake-holders, including fishermen who will be directly affected by any development projects, to foreign investors and donors," said Magnus Torell, representative of the Swedish International Development Programme.

The commission and about 20 donor agencies attended a four-day "Insight Workshop" sponsored by the United Nations Development Programme, the outcome of which was a consensus among donors that the plan should be long-term and have a broad approach, according to the chief of the commission's Secretariate's Programme Coordination unit, Lars Andreasson.

About 13 non-governmental organizations (NGOs) and various international basin development organizations also participated in the workshop.

Andreasson said the donors stressed that the commission members should encourage consensus of agreement to their projects by holding active consultations with all those concerned with or affected by those projects.

Also, the four members — Thailand, Cambodia, Vietnam and Laos — should have a common vision based on the national development plan of each riparian state.

The donors would like to abandon the traditional donor-recipient arrangement and develop their relationship with the commission as more of a partnership, Andreasson said.

They also said the commission secretariate should have a clearer mandate and greater emphasis on integration of projects, he added.

Tom Dillon of the World Wildlife Fund of Vietnam stressed the importance of public and local participation in commission works, and said the development plan should have more of a "people- and environment-oriented approach" rather than an "engineer-oriented" approach.

Other NGOs attending the workshop also recommended that the commission sponsor a series of sectorial meetings on issues such as fisheries management, biological diversity and human resettlement.

Specifically, the NGOs called on the commission to make public Phase I of the Basin Development Plan, which is currently being finalized, so that review and comments could be included in the draft.

"This is not some internal document that can only come to light at the end of its final preparation," said one representative, summarizing the consensus of the NGOs.

Japan

Japan: MITI Chief Rules Out EU-Japan-U.S. Microchip Accord

OW2304035296 Tokyo KYODO in English
0337 GMT 23 Apr 96

[FBIS Transcribed Text] Tokyo, April 23 KYODO — International Trade and Industry Minister Shumpei Tsukahara on Tuesday [23 April] ruled out the possibility of forming a trilateral semiconductor agreement among Japan, the United States and the European Union (EU).

Tsukahara said at a press conference after a regular cabinet meeting, "It's absolutely impossible to conclude another one among the three governments as the present accord is about to expire."

During a three-day quadrilateral meeting of trade ministers from Japan, the U.S., the EU and Canada that ended Sunday in Kobe, European Commission Vice President Leon Brittan made the proposal of drafting a trilateral microchip pact to replace the Japan-U.S. semiconductor accord, which will expire at the end of July.

Tsukahara favored efforts toward deeper cooperation in the semiconductor market by the private sectors of these economies rather than striking intergovernmental agreements.

"I think it's not a problem for them (the private sectors) to negotiate," Tsukahara said, while noting the EU's high tariffs on semiconductors are troublesome.

Japan: Futenma Planes' Shift to Iwakuni Said To Strengthen Functions

OW2204124396 Tokyo KYODO in English
1025 GMT 22 Apr 96

[FBIS Transcribed Text] Yamaguchi, Japan, April 22 KYODO — A group monitoring activities at Iwakuni Marine Corps Air Station said Monday [22 April] the planned shift of KC-130 refueling planes from an airfield in Futenma [MCAS Futenma] in Okinawa prefecture will strengthen functions at the base.

A research group affiliated with the Labor Union of Iwakuni Municipal Workers said KC-130 Hercules planes took off 306 times in a one year period ending last March at the base.

Of the takeoffs, more than 70 were overseas flights, mainly to South Korea, Jingen Tamura, leader of the group said.

The flights to South Korea by the planes increased last summer when the United States and South Korea conducted joint military exercises, the group said.

"The Iwakuni base has already become a base for the U.S. military to fly overseas and the relocation of the Hercules will accelerate this tendency," Tamura said.

FA-18 hornets and Harrier planes are stationed at the Iwakuni base, but KC-130 planes are not stationed there.

Under an agreement reached earlier this month between Japan and the U.S., more than a dozen KC-130 are to be transferred to the Iwakuni base, Yamaguchi prefecture, western Japan, and as many Harrier fighter planes will be relocated from Iwakuni to the U.S. The Futenma airfield will be returned to local landowners in five to seven years under the plan.

The Iwakuni Municipal Government is against the plan but the Yamaguchi Prefecture Government said it will accept the plan as long as the relocation does not reinforce the base.

Japan: Focus of New Security Alliance With U.S. Viewed

OW2304071096 Tokyo EKONOMISUTO in Japanese
30 Apr 96 p 28

[Article: "Japan-U.S. Summit Talks — Secretly Changing Strengthened Japan-U.S. Military Alliance for Return of Air Station Futenma"; from the "News Focus" column]

[FBIS Translated Text] U.S. President Bill Clinton and Prime Minister Ryutaro Hashimoto held the 66th postwar Japan-U.S. summit talks on 17 April. At the talks held between Prime Minister Hashimoto and U.S. Defense Secretary Perry, who had arrived in Japan right before the summit talks, an accord was reached on the total return of the Air Station Futenma of the U.S. forces. Amid the welcoming atmosphere, the summit talk was conducted in an overly showy manner.

Nevertheless, hidden behind this showy atmosphere, the objective of the two governments — establishment of "the new relationship of alliance" toward the 21st century — has been achieved, and it has become apparent that the close Japan-U.S. relationship will now cover not only the political and economic fields as it used to but also the military field. In other words, Japan will now be pursuing a common global strategy with the United States; and, for the Ministry of Foreign Ministry [MOFA], it is tantamount to achieving the long-cherished objective.

The major objective of this summit talk lies in "redefining the Japan-U.S. security treaty," which stipulates how the Japan-U.S. defense cooperation after the Cold War ought to be. The pillars of the redefinition are a review of the "guidelines for the Japan-U.S. defense cooperation," including the study of complying with the use of civilian airports in Japan by the U.S. forces in case of Far East emergencies; and the conclusion of the "Japan-U.S. Acquisition and Cross-Servicing Agreement [ACSA]," which will open up the door to providing logistic support for the U.S. forces. In return, the United States has agreed to the return of the Air Station Futenma, and it can be said that measures have been taken to strengthen the quality of the "Japan-U.S. military alliance."

Moreover, the redefinition involves another factor — changes in the quality of the Japan-U.S. security treaty. The primary objective of the treaty has shifted from that of "defending Japan" to that of "ensuring security in the Far East." Thus, it signifies a switch from the passive position of "defense" to the active position of securing regional peace and stability, hence a turnabout in the security policy. In refuting the argument that the security treaty has changed in quality, it has been said that "the security treaty originally involves both Japan's security and emergencies in the Far East," (as stated by Administrative Vice Foreign Minister Sadayuki Hayashi). However, it is generally viewed as "a substantial revision of the security treaty" (as viewed by those Dietmen from the Liberal Democratic Party [LDP], who lobby for defense industry).

However, the "redefinition," which can be termed as a turning point in Japan's security policy of the postwar years, is tantamount to Japan's breaking away from the "single-nation pacifism," and it also has something in common with the argument favoring "an ordinary nation" as advocated by Ichiro Ozawa [head of the New Frontier Party]. An opinion deeply rooted among MOFA officials indicates that "to draw peace dividend-what is indispensable is to make contributions to peace," (as stated by a senior official). And it can also be regarded as the conclusion of the policy that the MOFA has pursued throughout the Gulf war and participation in the UN peacekeeping (PKO) activities.

Prime Minister Ryutaro Hashimoto has stated positively and with great confidence that this policy turnabout is "the best choice in greeting the 21st century." However, a question still remains as to whether it was an outcome of deliberations involving the people. It has been voiced within the MOFA that "in overstressing the return of the base, no explanation seems to have been given for the vital point." And it has also been pointed out that the return of Okinawa bases, an outcome that is sure to obtain an approval among the general public, may have possibly been used as a "trick for casting a mist before the people's eyes."

The world in the post-Cold War era is also an "age that abounds in regional disputes." What will the new Japan-U.S. relationship with a strong tint of military alliance bring about? Will Japan aim at becoming a police officer "who will never resort to arms" but will get positively involved in dispute all over the world together with the United States? Even the MOFA, which has engaged in promoting this "new relationship of alliance," does not have any answers on hand to this question.

Japan: Sobe Landowner To Focus on Demand of Access to Land

OW2304050696 Tokyo KYODO in English 0452 GMT 23 Apr 96

[FBIS Transcribed Text] Naha, Japan, April 23 KYODO — An Okinawa owner of land within a U.S. military facility in southwestern Japan has decided to concentrate on winning access to his land from a local court by temporarily dropping another demand for the return of the land, sources close to the owner said Tuesday [23 April].

Shoichi Chibana, a 47-year-old local grocer, will go through legal procedures at the Naha District Court before a third hearing slated for Wednesday, the sources said.

Chibana has filed a lawsuit with the district court demanding access and the return of his 236-square-meter plot of land in the Sobe Military Communications Facility. The lease on the plot expired at the end of last month.

"The most important thing in this lawsuit is to gain provisional permission for access to the land," Chibana said.

"I believe the court will allow me access to the land, and Okinawa Prefecture is likely to reject the demand by the government for the emergency use of my land," he predicted.

"If so, I would like to take time to clarify the problem concerning the return of the land," Chibana added.

In the second hearing last week, district court judges touched on the issue concerning the return of the land and expressed opinions that it would be difficult for the court to judge on the removal of an antenna on the land because the antenna belongs to the U.S. military, sources involved in the case said.

Also at the April 17 hearing, the judges suggested an out-of-court settlement concerning permission for access to the land, but the government was unwilling to agree to the proposal, the sources said.

The court, presided over by Yasue Inaba, is likely to conclude the trial Wednesday and announce its decision shortly, they said.

Japan: Decision on Land Expropriation Expected 2 May

OW2004134396 Tokyo KYODO in English 1238 GMT 20 Apr 96

[FBIS Transcribed Text] Naha, Japan, April 20 - The Okinawa Prefectural Expropriation Committee is likely to make a decision May 2 on a request by Japanese defense authorities for the emergency lease of a plot of land for a U.S. military facility, prefectural officials said Saturday [20 April].

The officials said the committee heard views on the issue from the legal adviser to the plot's owner, Shoichi Chibana, behind closed doors Saturday.

Chibana, a local grocer, owns the 236-square-meter plot of land within the Sobe military communications facility in the village of Yomitan. He has asked the committee not to approve a six-month emergency lease being sought by the Defense Facilities Administration Agency, a Defense Agency organization.

Chibana's lawyer told the committee he would submit a document based on the views of military experts that the communications facility's functions would not be undermined without an emergency lease, the officials said.

The committee asked the lawyer to submit the paper by the end of April and set the date of the next hearing for May 2, when a ruling on the issue is likely to be made at the earliest, the officials said.

A member of the committee was quoted as saying many panel members do not consider an emergency lease necessary under the present circumstances, and the committee may rule in favor of Chibana unless the Defense Facilities Administration Agency submits documents convincing them of the need for the emergency step.

The Expropriation Committee, however, would reject a request by Chibana that an open hearing be held on the issue and that he be allowed to make an on-site inspection of his land, the officials said.

The dispute follows the expiration of a lease at the end of March after Okinawa Governor Masahide Ota refused to sign documents needed for the government to extend a forced lease of Chibana's land for the U.S. military facility.

Japan: Poll Shows 60% of Okinawans Negative About SACO Report

OW2204051096 Naha RYUKYU SHIMPO in Japanese 21 Apr 96 Morning Edition p 1

[FBIS Translated Text] According to an ad hoc "Ryukyu Forum" opinion poll conducted by RYUKYU SHIMPO on 19 April, 60 percent of Okinawans are "dissatisfied" with the contents of the "Interim Report" on the realignment, reduction, and return of U.S. military bases in Okinawa issued by the Japan-U.S. Special Action Committee on Okinawa (SACO). Many of them think the plan is "difficult to implement."

With regard to the relocation that will come with the return of Marine Corps Air Station Futenma, 40 percent of the pollees wanted "relocation outside Japan." On the expiration of the leases for part of the land being used for the Sobe Communications Facility, 60 percent stated that the national government should "return the land to the landowner."

Regarding Governor Masahide Ota's refusal to sign land documents by proxy, 60 percent thought "he should persist in his refusal," exceeding the 50 percent recorded in a previous poll (November 1995). More than 50 percent also asserted that the Japan-U.S. security treaty "should be reviewed."

The ad hoc survey was conducted on 19 April, immediately after the summit was held. RYUKYU SHIMPO polled 300 adult men and women in 12 localities in the prefecture by phone.

The results show that one out of four pollees had a positive view — terming it "a major step forward" — of the SACO Interim Report, which provides for the consolidation and return of 11 facilities, including the full return of the Futenma base, which was agreed upon in preparation for the summit. Among the rest of the pollees, 59 percent held a negative view — 36 percent said the plan "is difficult to implement," and 22.7 percent were "dissastified" with it.

Regarding the return of Futenma and the attached condition of relocating the helicopters and refueling aircraft, the most number of pollees, 41.3 percent wanted "relocation outside Japan;" followed by those who wanted "unconditional return," 18.7 percent; those who thought relocation is "inevitable," 18.7 percent; and those who thought this is "justified," 11.3 percent.

With regard to the Sobe Communications Facility, where the national government is occupying land illegally due to the expiration of the leases, 60 percent of Okinawans (60.3 percent of the pollees) believe that "land should be returned to the landowner." On the other hand, 17.7 percent of the pollees responded that "continued use is justified."

On the governor's refusal to sign land documents by proxy, which is related to the Sobe issue, 63.3 percent of the respondents wanted him to "persist in his refusal," while 17.7 percent thought he "should sign the papers by proxy." It is notable that there is a significant increase in the percentage of those who support "refusal" from last year's poll (49 percent).

Asked about what to do with the U.S. military bases in the future, the most number of respondents, 38.3 percent, took the position that the return of bases should be demanded in line with the action program for the return of bases formulated by the Okinawan Government, which demands the gradual return of all bases by 2015, followed by 31 percent who opted for "gradual realignment and reduction," 22 percent who demanded "full, immediate return of all bases," and a minority of 4.7 percent who said "the status quo is fine."

Japan: LDP Intends To Propose 'Security Committee' With U.S., PRC

OW2004123696 Tokyo SANKEI SHIMBUN in Japanese 19 Apr 96 Morning Edition p 3

[FBIS Translated Text] In an interview with SANKEI SHIMBUN on 18 April, Seijuro Shiokawa, who is the Policy Research Council Chairman of the Liberal Democratic Party [LDP] and is to lead a party delegation to China on 21 April, disclosed that during a series of talks with Chinese leaders, including President Jiang Zemin, he intends to propose establishing a "security committee" (tentative name) as an opportunity for periodic dialogue on security issues between Japan, the United States, and China.

Shiokawa stressed that since China seems to be wary of the "Japan-U.S. Joint Declaration on Security" announced during U.S. President Clinton's visit to Japan, "we have to seek China's understanding by explaining that the Japan-U.S. security pact is for peacetime and indispensable for stability of the Asia-Pacific region." He then pointed out that as a future task, it is necessary to promote confidence-building between Japan and the United States, adding, "We will propose to President Jiang Zemin the establishment of a trilateral security committee at the Foreign Ministry bureau chief level to promote periodic exchange."

Japan: Diplomatic Bluebook To Emphasize Positive Steps for Okinawa

OW2204153396 Tokyo YOMIURI SHIMBUN in Japanese 22 Apr 96 Morning Edition p 3

[FBIS Translated Text] An outline of the 1996 diplomatic bluebook was revealed on 21 April. The bluebook, subtitled "The Germination of a New International Order and the Course of Japanese Diplomacy — Construction of a Multilayered Framework," indicates a view that a new framework in the international community in the post-Cold War era consists of international cooperation through the United Nations and other organizations, regional cooperation in the Asia-Pacific region, and bilateral cooperation such as that between Japan and the United States. It notes the importance of adopting the comprehensive diplomacy of strengthening those forms of cooperation and developing them in a comprehensive and multilayered [juso teki] manner. In response to the recent Japan-U.S. summit, the diplomatic bluebook emphasizes the "importance of taking sincere measures to deal with various issues" concerning U.S. military bases on Okinawa through the reorganization and reduction of bases. After the Foreign Ministry coordinates the final details on the bluebook, Foreign Minister Yukihiko Ikeda intends to report on it to a 10 May cabinet meeting to obtain approval.

At the recent Japan-U.S. summit, Prime Minister Ryutaro Hashimoto and President Bill Clinton reconfirmed that the Japan-U.S. alliance "remains the basis for stability and prosperity in the Asia-Pacific region" in the post-Cold War era. Following the reconfirmation, the bluebook emphasizes that maintaining the Japan-U.S. security treaty is a "pillar of diplomatic efforts" to secure Japan's safety. Based on this view, the bluebook mentions Japan-U.S. Special Action Committee on Okinawa (SACO) activities and notes the importance of tackling Okinawa issues. Regarding the economic field, it emphasizes conclusion in both the automobile and air cargo talks as achievements.

From the regional security viewpoint of securing stability on the Korean peninsula, it also notes the "need to further bring" the DPRK (North Korea) "into the international community and the importance of close cooperation among Japan, the ROK, and the United States." Explaining the view on Japan-DPRK negotiations for normalizing diplomatic relations as well as Japan's rice aid and flood relief to the country, the bluebook states that such incidents as the founding of the Korean Energy Development Organization (KEDO) is important to the international system for preventing nuclear proliferation. On international cooperation, the diplomatic bluebook notes Japan's involvement in efforts to achieve peace in the Mideast and reconstruct the former Yugoslavia and cooperation with UN peacekeeping operations (PKO).

Japan: Politicians Discuss Security Pact With U.S.

OW2104051096 Tokyo KYODO in English 0502 GMT 21 Apr 96

[FBIS Transcribed Text] Tokyo, April 21 KYODO — Japan's ruling coalition will seek early agreement among its three partners on how to respond to emergencies in the far east in the wake of last week's joint declaration with the United States committing the two countries to closer security cooperation, a top coalition policymaker said Sunday [21 April].

"How should we respond when an emergency occurs on the Korean peninsula or in the Taiwan Strait and U.S. forces (based in Japan) are dispatched there?" asked Taku Yamasaki, head of a policy panel of the Liberal Democratic Party, the dominant coalition partner.

Speaking on a Japan Broadcasting Corp. (NHK) program, Yamasaki said the coalition must forge agreement on how to cooperate with the U.S. military, handle refugees and rescue Japanese nationals in a conflict area.

Cooperation with U.S. forces involves the sensitive question of collective self-defense, which the government says is banned by Japan's pacifist constitution, but Yamasaki said the proposed accord will be sought within constitutional constraints.

"We cannot exercise the right to collective self-defense. In no way can we allow ourselves to act altogether with the U.S. military in its use of force," he added.

He gave as an example of banned actions help for refueling at the site of fighting, but said feasible aid includes water and food supply.

In issuing the declaration Wednesday, Japan and the U.S. agreed to review guidelines for bilateral security cooperation, so far focused on Washington helping Tokyo fight off invasion, and to jointly study ways to broaden military cooperation during regional emergencies.

Appearing on the same NHK program, officials of New Party Sakigake [Harbinger], the smallest of the three coalition parties, and the main opposition party Shinshinto (New Frontier Party) agreed in principle with the LDP official on closer cooperation with the U.S. military.

A security policy chief of the third coalition partner, the Social Democratic Party, agreed on the need for discussions but cautioned that they should be conducted in line with constitutional and legal provisions.

Shun Oide also said the role of the self-defense forces cannot be expanded unless relevant laws are revised.

On a separate television program, a policy board chairman of Shinshinto called for efforts to legislate a new law aimed at coping with emergencies.

Kazuo Aichi told the Fuji network program that the exercise of the right of collective self-defense has won majority support in his party, though no formal decision has yet been taken.

Exercising the right would embody the Japan-U.S. security alliance and it should be used in order to make it solid, he added.

But the secretary general of the Japanese Communist Party, Kazuo Shii, disagreed, saying that exercising the right would override the constitution and make it hollow.

"We should not exercise the collective self-defense right but instead depend on a collective security system based on the U.N. Charter," Shii said.

Japan: Government Starts Emergency Legislation Discussion

OW2304094396 Tokyo MAINICHI SHIMBUN in Japanese 23 Apr 96 Morning Edition p 1

[FBIS Translated Text] The government and the ruling parties started discussions on a full-scale crisis-management legal system, including enactment of special legislation, on 22 April to comply with the Japan-U.S. agreement to review the "Japan-U.S. defense cooperation guideline." The current legal system relating to possible Far East emergencies will be reviewed to decide whether it is necessary to revamp the system or to enact new legislation. Although the government and the ruling parties intend to review the system within the boundaries of the Constitution, it may have some impact on the coalition framework once concrete plans for legislation are formulated.

In a meeting the afternoon of 22 April, Seiroku Kajiyama, chief cabinet secretary, and Koichi Kato, Liberal Democratic Party secretary general, agreed on the need to promote a study of guideline review, including revamping related legislation. That night, Prime Minister Ryutaro Hashimoto also told reporters at the Diet: "First of all, we must bring all possible future cases to the discussion table. There are cases that cannot be dealt with through any legislation. In some cases we need a law; in others we do not." With this, the prime minister indicated it is necessary to consider new legislation in discussions on improving the legal system to deal with future emergencies.

As examples of emergencies, Hashimoto cited 1) a situation in which facilities of local municipalities would be used to deal with a flow of large numbers of refugees; 2) a situation in which planes of the Self-Defense Forces would be used in refugee rescue operations; and 3) a situation in which airports outside the government's jurisdiction would be used. He indicated that it is necessary to clarify what the government can do with which regulations, government and ministry ordinances, or legislation to deal with these situations. Then he noted, "We simply call it legislation to deal with emergencies. This way of referring to it makes the whole issue ambiguous, but we will study it because we have no such laws."

In reaction to his comments, a top government official the same day pointed out defects in the current legal system: "We have no law to deal with a flow of refugees or rescue of Japanese nationals in case of Korean peninsula or Taiwan Strait crises. How will we protect the lives of our people and their property with such a hole in the system?" The official added: "It is essential to discuss, step by step, what we should do in case of war, civil war, or armed conflict in or near Japan." He then stressed: "We will enact special legislation to deal with emergencies and create lots of related laws."

Japan: Review of Defense Guideliens Expected To Begin Early May

OW2004110296 Tokyo KYODO in English 1033 GMT 20 Apr 96

[FBIS Transcribed Text] Tokyo, April 20 KYODO — Japan will launch a review in early May of its guidelines for defense cooperation with the United States as agreed to during the U.S.-Japan summit talks earlier this week, government sources said Saturday [20 April].

A special committee grouping foreign affairs and defense officials as well as military personnel will soon be set up to overhaul the 1978 guidelines with a view to ensuring a better response in the event of a crisis situation in the far east.

The joint security declaration signed by U.S. President Bill Clinton and Prime Minister Ryutaro Hashimoto on Wednesday states that bilateral defense cooperation should be expanded to "dealing with situations that may emerge in the areas surrounding Japan and which will have an important influence on the peace and security of Japan."

The sticking point for Japan is to define what its troops could do in an emergency without infringing on the provisions of the nation's pacifist constitution.

At the same time a study group will be initiated, comprising officials from all other government ministries and agencies concerned, to clear away obstacles to closer defense cooperation, the sources said.

According to a senior defense agency official, the special committee will work out a framework as to what should be considered for bilateral defense cooperation to deal with instability in the far east.

The committee will be asked to report its findings to officials at regular bilateral defense talks slated for the fall, which include the foreign and defense ministers.

One of the most sensitive topics will be whether Japan would be able to provide logistical support for U.S. troops intervening in a conflict on the Korean peninsula or a confrontation between China and Taiwan.

The current guidelines provide for joint action in the event of an armed attack on Japan or when such an attack is imminent.

They stipulate that Japan extend logistical assistance to U.S. Forces, which would include to some extent the joint use of Self- Defense forces bases.

The government rules out joint military action in any other situation than an attack against Japan, arguing it would constitute collective defense in violation of the constitution.

The war-renouncing Article 9 of the Japanese Constitution also forsakes "the threat or use of force as means of settling international disputes."

There is, however, a large "gray zone" as to what constitutes the "use of force," said Masasuke Omori, head of the Cabinet Legislation Bureau.

Areas that are disputed include supplying fuel and food provisions for U.S. troops in action, repairing U.S. military aircraft and naval vessels and other forms of logistical support that would constitute a use of force, he said.

Another scenario to be included in the discussions is Japan's role in enforcing a naval blockade against a third country in line with a U.N. Security Council resolution.

Two years ago such a move was being discussed to force north Korea to renounce its nuclear program, suspected by the United States and other countries to be a covert atomic bomb program.

Chief Cabinet Secretary Seiroku Kajiyama has said the government will stick to its long-held stance on collective defense.

A 1981 government statement says Japan has the right to collective defense, but "the exertion of that right is banned under the Constitution."

It defined collective defense as "the right to thwart by use of force an armed attack on a country which has close ties with one's own country even if one's own country is not being directly attacked."

Japan: LDP Official on 'Suprapartisan' Defense Cooperation Talks

OW2204091396 Tokyo MAINICHI SHIMBUN in Japanese 20 Apr 96 Morning Edition p 2

[FBIS Translated Text] With regard to Japan-U.S. defense cooperation in case of an emergency, Policy Research Council Chairman Taku Yamasaki of the Liberal

Democratic Party [LDP] told a group of reporters on 19 April that "a decision concerning security issues should be approved in principle by a majority of two-thirds or more." And he added: "To obtain the two-thirds majority, it is important to involve the New Frontier Party [NFP], the biggest opposition party, in the deliberations and to reach a consensus." In this way, Yamasaki stressed need to hold suprapartisan consultations with the NFP's participation.

Japan: Former Premier Nakasone on Japan-U.S. Alliance

OW2304102396 Tokyo SANKEI SHIMBUN in Japanese 21 Apr 96 Morning Edition p 1

[Summary of remarks by former Prime Minister Yasuhiro Nakasone: "The Significance of 'Japan-U.S. Security Alliance'"; place and date not given]

[FBIS Translated Text] The recent Japan-U.S. summit brought epoch-making results. I am sure that these results will contribute to peace and stability in the Asia-Pacific region as the 21st century approaches.

I contributed to the SANKEI SHIMBUN dated 10 January an article titled "A Proposal to Prime Minister Ryutaro Hashimoto." In the article, I proposed: "Although the Cold War structure has collapsed, the Japan-U.S. alliance remains the underground power line, and its meaning is more important than it was in the Cold War era. Now is the time to revivify bilateral security arrangements. Not only to defend Japan but also to prevent conflicts in the Asia-Pacific region, efforts should be made to expand and add new roles to the bilateral security treaty supporting U.S. forces operations." I am very pleased that my proposal has taken shape to a certain extent in the latest bilateral joint declaration.

Although there are factors of uncertainty in the Asia-Pacific region, particularly on the Korean peninsula, in the Taiwan Strait, and in the Spratly Islands, neither Japan nor the United States has defined the basic formula to handle such circumstances. The joint declaration clearly proposes that the two countries devise their basic formula. In other words, the declaration clarifies the need for flexible implementation of the bilateral security treaty as well as the significance of Japan-U.S. cooperation in the Asia-Pacific region.

In the future, it is important that Hashimoto take the initiative in explaining the government's stand to win people's understanding, while improving the Guidelines (for Japan-U.S. Defense Cooperation) and domestic laws. I am sure that we will be able to obtain understanding from neighboring Asian countries if we sufficiently explain Japan's stand and the meaning of the joint declaration.

After the end of World War II, Japan lived in peace, practicing "foxhole [takotsubo] diplomacy," which attaches importance only to Japan's peace and interests. There was no problem with this attitude during the cold war era. However, since the end of the cold war, each country has tried to solve problems through peaceful means. For example, they extend international cooperation within the framework of their constitutions and prevent conflicts by holding multilateral consultations. Japan should also positively join such efforts.

So far, the Japan-U.S. security treaty has principally aimed at protecting Japan from the former USSR. In the future, it will serve to prevent conflicts in the entire Asia-Pacific region, utilizing the presence of U.S. forces.

The two countries have sought to redefine the bilateral security pact to support U.S. forces in maintaining the peace and stability of Japan's neighboring region and other areas, such as Japan's trade routes and sea lanes for oil tankers, which are vitally important to its foundation. It is a natural development of Japan's diplomacy; and, of course, it is constitutional.

Although there is already the ASEAN Regional Forum (ARF) in the Asia-Pacific region, Japan should pursue, in cooperation with the ARF, the goal of forming an international framework to hold political consultations on peace and security in East Asia.

Speaking about the China-Taiwan relationship in particular, Japan ought to clearly define the criteria of its policy on the cross- strait issue. Thus, it is essential for the government to clearly show other countries and the Japanese people the criteria for its policy as diplomatic principles, so that Japan will not be at a loss as to what to do when a problem arises.

Among the main rules are: 1) Observe the Japan-PRC Treaty of Peace and Peace and Friendship, as well as the joint declaration; 2) attach importance to Taiwan's liberalism, democracy, and peace; and 3) settle the cross-strait issue absolutely through negotiations, with Japan honestly cooperating with them and never impeding their dialogues. These are the proposals offered by my friend. I would like to present them as subjects for discussion.

Regarding U.S. military bases on Okinawa, I would like to praise U.S. President Bill Clinton for formally expressing, in his speech to the Japanese Diet, his regret and compassion for the Okinawan people. Complete return of Marine Corps Air Station Futenma has been decided on as a step toward achieving the pending task of realignment, consolidation, and reduction of bases. I hope concerned organs will continue to make efforts to this end, while highly evaluating Prime Minister Ryutaro Hashimoto for having taken leadership in attaining the goal. At the same time, I would like to underline that the basis of the latest achievements was formed during the summit held last year between then Prime Minister Tomiichi Murayama and U.S. Vice President Al Gore.

Japan: Former Official on Japan-U.S. Declaration

OW2304064496 Tokyo YOMIURI SHIMBUN in Japanese 19 Apr 96 Morning Edition p 17

[Article by Yukio Okamoto, former director of the Foreign Ministry's First North America Division and currently president of Okamoto Associates, from the "Point at Issue" column: "Earnest Public Debate Urged on Security Issue"]

[FBIS Translated Text] It was a summit meeting with a lot of meaning. The agreement between Prime Minister Ryutaro Hashimoto and President Bill Clinton reaffirming the Japan-U.S. alliance and promising to expand it in a new direction will form the basic backbone of the relationship between the two countries, at least for the next few years to the end of this century.

The postwar Japan-U.S. relationship has progressed in three steps. The first step was the period when the United States built up its strategic structure unilaterally, while protecting vanquished Japan. This was the period up to 1960 when the security treaty was concluded. The second step was the period when Japan followed the United States around like a younger brother in the international arena, where the United States and the Soviet Union clashed with each other. This is also the period when Japan became rich by pursuing the policy of remaining interested in its own prosperity. But in the 1980's, economic frictions between Japan and the United States became an everyday event, and after the war in the Persian Gulf, the United States started to question if Japan was qualified to be its ally. The third step was a period of about 10 years during which the relationship of the two countries was aggravated.

The summit meeting this time was held while trade friction between the two countries was lessening as a result of Japan's diminishing trade surplus with the United States, and while there was rising concern about instability in East Asia on the other hand. It is praiseworthy that both Japan and the United States have equally done the work of reworking the basic alliance in order to bring their bilateral relationship closer to one which is more desirable. If the contents of the joint statement on security are carried out steadily and as stated, it will be said in the future that "the fourth step started in 1996" and that period will come to be remembered as a noteworthy period.

The joint statement on security will become a protocol that will be referred to many times in the future. The Japan-U.S. security system has turned into one which takes "Asia and the Pacific" into its view. No doubt, many Japanese people are perplexed by this development. They are wondering if "it does not mean a de facto revision of the security treaty." In part, the government is to blame for this position of the people inasmuch as it has failed to make efforts to explain the meaning of the security treaty to the public in a manner they can easily understand.

First of all, it should be noted that the expression "Far East" in the security treaty means an area which the U.S. forces can cover from their bases in Japan, and there has been no fixed concept of the area, to begin with. The area "north of the Philippines" is only a temporary yardstick used in the old days. After all, the U.S. forces are not stationed in Japan to operate only in that area. That is not my personal view, either. That was the uniform government view presented to the Diet in 1960. Expressing that view, the government at that time went on to say: "But there are basic restraints on the activities of the U.S. forces. That is, they are always supposed to be employed only in the objective of resisting invasion."

The meaning of the security treaty was clear from the beginning. Under the treaty, the U.S. forces are supposed to be restrained in their activities not by geographical conditions but by the nature of the activities involved. The government should bring this to the attention of the public once again. But then the government must go beyond that. While admittedly the expression "Far East" itself can mean a big area, there is still a conceptual difference between "Far East" and "the Asia-Pacific region."

It is only natural that the security system should be run differently according to changes in international situations. The government must explain to the public about the changes that have taken place in the situation. If the government thinks all it has to do to get its way is by changing expressions of some words, that will buy only mistrust from the public.

The security treaty had the misfortune of having its birth by way of railroading a bill through the Diet amidst voices of rage. Given such a history, the governments in the past have always tried to avoid discussing even the most basic issues concerning defense of the country. Where the matter of Japan's contribution in the Far East area is concerned, just mentioning it has been regarded as an act of supporting the exercise of collective self-defense right in the Diet where the ruling and opposition parties were in fierce confrontation over the security issue. That matter has always been treated as explosive.

It is desirable that the summit's joint statement leads to an opportunity to bring the public into the debate on the question of "what security system the nation should have." This time, the government must win the public's wholehearted approval on the security system. I would like to see the Diet hold serious discussions on it. The Japan-U.S. accord this time represents not a finished product, but the start of a process of forming a system needed by Japan by revising the defense guideline and studying the cooperative system in contingencies. The government must start the work of winning support from as many people as possible including the Okinawans who, suffering particularly from heavy burdens of the military bases in Okinawa, want the bases moved to the mainland.

The strengthened Japan-U.S. alliance announced by the two top leaders should be welcomed by nations in Asia (except for China and the ROK). The United States is regarded by Asian countries as a country which does not have territorial ambitions. The fact that the country makes freedom and democracy its basic belief also makes these countries feel comfortable about that country. Many Asian nations renewed their recognition of the importance of the U.S. forces' presence in the Asian region after seeing with their own eyes the Chinese troops advance into the Spratly Islands following the withdrawal of the U.S. forces from the Philippines. It should be clear that the United States is the best partner for Japan.

But I am not saying Japan's policies on Asia should be 100 percent the same as those of the United States. Japan should continue to present its policies to the United States and to insist on them based on its own national interest. It may look like a roundabout way of doing things, but this is the way for eventually bringing maturity to the Japan-U.S. relationship.

Japan: Book on U.S. Military Aid 'Myth' Reviewed

OW2204011496 Tokyo SANKEI SHIMBUN in Japanese 4 Mar 96 p 5

[Article by Akihiko Ushiba, Editorial Board Member, SANKEI SHIMBUN. Originally Titled "Myth of 'U.S. Military Coming to Our Aid'"]

[FBIS Translated Text] As issues in areas like economics, social welfare, and education are closely tied to the daily lives of the general public, they are comparatively easy for the average person to grasp. When it is something to do with daily life, a person will likely feel free to venture a "personal opinion." Occasionally there are cases in which the opinions of an "amateur" prove more persuasive than those of the experts.

When it comes to defense problems, however, that approach simply will not do. First of all, members of the public, and most other individuals for that matter, do not every day constantly think about possible national emergencies. More than anything else, that is because such emergencies bear no relation to their daily lives. Most people do not give any thought to such things as how the Self-Defense Forces [SDF] should respond if that one-in-a-million crisis occurs, or what the SDF is thinking regarding about what kind of emergencies might arise. In most cases "amateurs" do not have the foggiest idea about these things. When defense issues are debated, it is indispensable to listen to the knowledge and experience of experts.

From that perspective, an extremely thoughtful book has recently been published, JISEDAI NO RIKUJO-JIEITAI: SHORAISEN O KAKU TATAKAU [The Next-Generation Ground Self-Defense Force [GSDF]: Fighting Future Wars This Way], edited by the Morino Military Affairs Research Institute and published by Kaya Shobo.

What sets this book apart from those written by military critics and others is that all the contributors, starting with Morino Military Affairs Research Institute Director Yasuhiro Morino (formerly commanding general of the Northeastern Army and director of the Plans and Operations Department in the Ground Staff Office, or GSO) and 17 other participant researchers are all retired senior GSDF officers. They are experts on a wide variety of topics, from such combat specialties as infantry and armor to communications, equipment, education, logistics, and R&D.

In addition, Mr. Morino was director of the GSO's Plans and Operations Department when the GSDF's internal bureaus examined around 1986 the "Future Concept for the Ground Self-Defense Force." One cannot overlook the point that many of this book's contributors were then active at the center of the defense establishment. The direction of GSDF modernization contained in the new Defense Program Outline [NDPO] was based on this "future plan." One can thus view the current book as nearly the same current GSDF thinking. As for the book's contents, while Mr. Morino and the others stress the importance of the Japan-U.S. alliance, they say that "it is a myth that the U.S. military will come to our timely aid."

As is well known, until now Japan has had the policy, premised on the U.S. military coming to our assistance, of "repulsing small-scale, limited invasions through our own strength." The book concludes concerning this point that, "This policy had military logic when the former Soviet Union existed as a common military threat to both Japan and the United States. The United States would likely have committed its forces even in the event of a limited, small-scale invasion." However, the authors then argue: "The collapse of its principal rival, the Soviet Union, means that large-scale direct threats to the United States have disappeared from the Far East. This therefore means that the possibility of the U.S. military coming to our aid in the event of a national emergency has decreased." The authors therefore argue that Japan must now consider responses to unanticipated circumstances in which Japan cannot hope for help from the U.S. military.

In contrast to this line of argument, the NDPO makes no reference to "independent responses." The NDPO from the start is rooted in the concept of relying on cooperation with the U.S. military. What does that really mean? Concerning the U.S. military coming to Japan's aid, there are differences of opinion even among the GSDF, Maritime Self-Defense Force [MSDF], and Air Self-Defense Force [ASDF]. We lack the information to know whether there was dispassionate discussion on this point during the drafting of the new NDPO.

That being the case, what situations do Mr. Morino and his institute see where Japan will have to respond without the U.S. military coming to its aid?

The book contains this analysis: "With the Cold War's end, the likelihood of total war has receded for now. On the other hand, warfare limited in its goals, methods, area, duration, and such has become more likely to occur." There exists the possibility of scenarios beyond that of the heavily armed attack considered during the Cold War. Such possibilities include 1) a surprise attack conducted by a small-scale, highly mobile force equipped with hi- tech weapons with the aim of creating a fait accompli in a short period of time and 2) a "stand off" attack from missiles launched from beyond our sea or air space.

The book goes into great detail on handling such threats and participating in international peacekeeping activities in regards to GSDF strategy, tactics, combat, equipment, and other matters. Due to space limitations, however, I cannot go into the details here.

Nevertheless, I must touch on an important problem the book raises regarding the changing strategic environment. History shows that Japan's military power was in such a state by the Edo period's end that the appearance of "a mere four black ships [under Commodore Perry] robbed Japanese leaders of their sleep." However, within a short time following the Meiji Restoration, Japan went so far as to emerge victorious in the Sino-Japanese and Russo-Japanese wars. Such history serves as a lesson. As the book states: "Once a State completes the stage of establishing domestic order and has entered a period of prosperity, it is inclined to seek to resolve border issues that it had previously wished to settle but had been unable to do so."

The book sounds an alarm: "It will not do to err in observing 'the course to which State energy is directed' when a State is entering its period of prosperity. At a time when our own country is surrounded by just such nations, we especially must keep this point in mind." As one understands in viewing the situation around our nation today, this point is right on the mark.

What we must most avoid in considering security strategy is to take the present situation as fixed and cease thinking.

Japan: Spokesman on DPRK, Security Declaration

OW2204121596 (Internet) Japanese Foreign Ministry Affairs WWW in English 19 Apr 96

[News Conference by Foreign Affairs Ministry spokesman Ken Shimanouchi with unidentified reporters on 19 April; place not given; from the "What's New" link]

[FBIS Transcribed Text] [Topics of Discussion] I. The statement delivered in Moscow by Prime Minister Ryutaro Hashimoto on recent events in the Republic of Lebanon II. Confirmation on the location of Prime Minister Hashimoto's remarks in Moscow III. The proposed four-party conference on matters relating to the Korean Peninsula IV. Further matters on the proposed four-way meeting V. The Japan-U.S. Joint Declaration

I. The statement delivered in Moscow by Prime Minister Ryutaro Hashimoto on recent events in the Republic of Lebanon

Foreign Ministry Spokesman Ken Shimanouchi: Good afternoon, ladies and gentlemen. This morning, Minister for Foreign Affairs Yukihiko Ikeda issued a statement concerning the unfortunate development in Lebanon on 18 April. A few hours ago, Prime Minister Ryutaro Hashimoto issued a statement on the same matter. I will give you the English translation of the Prime Minister's statement. "I have been deeply concerned about the recent deterioration of the situation in Lebanon as a threat to stability in the region. I deeply deplore that, against this background, a sad incident occurred on 18 April in which members of the United Nations Interim Force in Lebanon (UNIFIL) and many civilians were killed or injured as a result of attacks in Lebanon by the State of Israel. It is totally unacceptable that so many people fell victim to the attack. I wish to express my condolences to the families of those who lost their lives, and my sympathies to those who were injured. The vicious circle of terrorism, and the use of force, must be stopped immediately, and the Middle East Peace process moved forward. Japan calls on all the parties, including Israel, to stop hostilities, in compliance with the United Nations Security Council Resolution..." This is my footnote — he is referring to United Nations Resolution 1052. "...and, bring together international diplomatic efforts to resolve the situation in Lebanon. I intend to hold consultations on this matter with the leaders gathered here in Moscow. Japan intends to contribute in every way possible."

That is the announcement that I wanted to make, and I will be delighted to respond to any questions that you might have.

II. Confirmation on the location of Prime Minister Hashimoto's remarks in Moscow

Q: I would like to confirm that these statements made by Prime Minister Hashimoto were made in Moscow?

A: Yes. A few hours ago.

III. The proposed four-party conference on matters relating to the Korean Peninsula

Q: As I understand, the Japanese side supported the American proposal to convene a four-way conference on the Korean Peninsula. But, would you clarify the Japanese position over the previous proposal by Russia to convene the same conference, but not for four countries, but for six countries — not only for the Korean states, the United States, and China, but also with Japan and Russia. What is the Japanese position on this proposal?

A: You refer to a recent proposal for a four-party conference as a proposal by the United States of America. I have to correct you on that. It is a proposal by the United States and the Republic of Korea. All I can say is that we support this proposal for a four-party conference. We would like to see North Korea accept this proposal without delay. We would hope that, through this four-party meeting, reduction of tensions and confidence-building are achieved on the Korean Peninsula, and that an agreement for a permanent peace, replacing the current Armistice Agreement, will be achieved. We also call on North Korea to abide by the Armistice Agreement until such a time that a lasting peace agreement is achieved, and that it refrain from taking actions that might undermine peace and stability on the Korean Peninsula. That is our position on this matter. We want to see this four-party conference realized.

Q: Yes, but what about the previous Russian proposal about a, not four, but six-way conference, including Japan and Russia?

A: I do not have the details of the Russian proposal. Our position on the situation on the Korean Peninsula is as I have stated. We support the proposal that is now on the table.

Q: So, as I understand, you know nothing about the previous Russian proposals?

A: I, myself, do not have the specifics of the Russian proposal, but the important fact is that we support the current proposal that is on the table, and that we hope that North Korea accepts this proposal, and comes to the table for dialogue.

Q: So, as I understand the problem, the Japanese side doesn't know exactly what the Russian proposal is. Is that correct?

A: I am saying that I, myself, do not know.

IV. Further matters on the proposed four-way meeting

Q: Prime Minister Hashimoto said in regard to this four-way talk that has been proposed by the United States and Japan, that Japan will cooperate to enhance this meeting between four nations. What do you think is the likely help that Japan can give to the announcement?

A: I do not have the transcript of the Joint Press Conference with me, but if I recall correctly, he said that Japan is not in a position to say if this or that should be done. He said that Japan would do whatever is possible — if asked. I do not think we have anything specific in mind at this stage. We just want to be useful, since we support the processes of this proposal.

Q: So, you will consider, if something is asked by the participants in the party?

A: I should not put words in the Prime Minister's mouth.

V. The Japan-U.S. Joint Declaration

Q: There is very much talk about this jointly-signed statement that Japan and the United States made the day before yesterday. In the case of China, they are saying that the security pact is in violation of the Japanese Constitution. There is a lot of worry in Asian nations about militarization and Japan growing into a military power. What is the Foreign Minister's position on this "unconstitutional" issue?

A: There is nothing unconstitutional about the Joint Declaration made the other day. I would like to emphasize that the Joint Declaration does not change the current framework of the Japan-U.S. Security Arrangements, nor does it enlarge the scope of the arrangements. What it does is reaffirm the importance of the Alliance, and the Security Treaty on which the Alliance is based, in the post-Cold War context. I think you have read the document. There is an assessment of the current situation in this part of the world. And, based on this assessment of the security environment, the document underscores the importance of maintaining the Japan-U.S. Security Arrangements. Furthermore, it discusses the importance of enhancing the credibility of the Security Arrangements, and sets forth a number of measures to do exactly that. I think you are aware of the contents of that. I might add that both the Government of the United States and the Government of Japan are of the view that the Japan-U.S. Security Arrangements are a stabilizing factor in the Asia-Pacific, and that it is beneficial, not just to the United States and Japan, but to the whole of Asia and the whole world. Thank you very much.

Japan: PRC Military Official Asks No Expansion of Security Treaty

OW2304012896 Tokyo NHK General Television Network in Japanese 1014 GMT 22 Apr 96

[Announcer-read report; from "NHK News" program]

[FBIS Translated Text] The Liberal Democratic Party [LDP] delegation now visiting China held talks with Xiong Guangkai, deputy chief of general staff of the People's Liberation Army on 22 April. During their talks, Xiang said that he hopes Japan-U.S. defense cooperation in case of emergencies will not lead to the expansion of the Japan-U.S. security treaty.

[Begin recording] LDP General Council Chairman Masajuro Shiokawa, who is leading the delegation, asked for China's understanding on the Japan-U.S. agreement made at the recent summit to examine bilateral defense cooperation in the event of emergencies near Japan, stressing that it will not cause drastic changes in the nature of the Japan-U.S. security treaty. In reply, Xiong said that he hopes the scope of the security treaty will be limited to Japan and the United States since any expansion of its scope might complicate the situation in East Asia. [end recording]

Japan: PRC Military Official Says Leadership Not Split Over Taiwan

OW2204134196 Tokyo KYODO in English 1257 GMT 22 Apr 96

[FBIS Transcribed Text] Beijing, April 22 KYODO — A Chinese military official told a delegation from Japan's ruling coalition member Liberal Democratic Party (LDP) on Monday [22 April] that Beijing is not facing any foreign military threats and denied that the Chinese leadership is split over handling of the Taiwan issue.

"Historically China has been threatened by Japan, the United States and the (former) Soviet Union but now the situation around China is stable, so I don't think there are any threats against China," Xiong Guangkai, chief of the General Staff of the People's Liberation Army (PLA), was quoted as telling Masajuro Shiokawa, LDP mission chief. The nine-member LDP team arrived in Beijing on Sunday for a five-day visit.

Xiong also denied that the PLA maintains a hawkish policy toward Taiwan in opposition to a more moderate stance by China's nonmilitary leaders.

"The military is under the leadership of the Communist Party and everyone backs China's interests," LDP Spokesman Keizo Takemi quoted Xiong as saying.

Shiokawa, head of the LDP's decision-making Executive Council, is expected to brief Chinese President Jiang Zemin on Tuesday on the Japanese-U.S. Joint Security Declaration signed last week by Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton.

Xiong, who is also China's top military official for Taiwan affairs, said his country's joint military exercises in the Taiwan strait last month were "intended to show our decisiveness to protect our sovereignty and territorial integrity as well as to express our decisiveness against foreign intervention in the issue," according to Takemi.

Xiong was also quoted as saying China hopes to resolve the Taiwan issue peacefully in accordance with Jiang's January 1995 eight-point proposal on China-Taiwan reunification.

"The problem is that Taiwan has not responded positively to the proposal," Xiong was quoted as saying.

The PLA official said the Japanese-U.S. Security treaty would complicate the situation in the region if it went "beyond its bilateral scope," while further reiterating China's position that the issue of Taiwan is an internal affair.

Xiong also said China supports a position for a stable and nonnuclear Korean peninsula and warned against interpreting recent North Korean intrusions into the demilitarized zone separating North and South Korea as a signal that Pyongyang was preparing to mount an attack on the south.

Japan: Lawmaker Seeks Explanation From PRC for Scholar's Detention

OW2304091096 Tokyo KYODO in English
0806 GMT 23 Apr 96

[FBIS Transcribed Text] Tokyo, April 23 KYODO — A Japanese lawmaker Tuesday [23 April] delivered a letter to the Chinese embassy in Tokyo seeking an explanation for the detention by Chinese authorities of a Mongolian scholar and his wife in China's Inner Mongolia Autonomous Region.

Shigeru Kayano, a Social Democratic Party (SDP) member, submitted the request to Chinese ambassador to Japan Xu Dunxin.

The letter said the scholar Hada and his wife Xinna are regarded as leading Mongolian scholars studying Chinese minority race issues. Their arrests surprised supporters in Japan.

Wang Yuegin, a counselor at the embassy, told Kayano that the detention of the two resulted from domestic circumstances based on Chinese law.

Hada, known for activities promoting Mongolian culture through his Mongolian studies bookstore in the city of Hohhot, was arrested Dec. 10 last year for establishing and heading the Southern Mongolian Democratic Alliance, according to a New York-based human rights organization. Xinna was also later arrested by Chinese authorities.

The organization, Human Rights in China, said Chinese officials in Inner Mongolia have been monitoring separatist and democratic activities since neighboring Mongolia approved a new constitution in 1992 and moved toward establishing a multiparty political system with full democratic elections.

Japan: Hashimoto Wants Study on Possible Emergency Law in East Asia

OW2304032396 Tokyo KYODO in English
0214 GMT 23 Apr 96

[FBIS Transcribed Text] Tokyo, April 23 KYODO — Prime Minister Ryutaro Hashimoto said Tuesday [23 April] that Japan should study whether or not it needs to enact laws to deal with possible emergencies in east Asia.

"First of all we should table all cases possible," Hashimoto told a group of reporters. "There are cases that currently do not have related laws. In some cases we need a law and in others we do not."

For example, either a national law or a local ordinance can be applied to such cases where Self-Defense Forces planes use an airport under the jurisdiction of a local government to transport refugees from abroad, he said.

Japan: Emergency Study To Cover Conflicts, Rebellion, Disasters

OW2304105796 Tokyo KYODO in English
0836 GMT 23 Apr 96

[FBIS Transcribed Text] Tokyo, April 23 KYODO — Japan's studies on legislation to prepare for possible emergencies in the Far East will study possible conflicts, wars, rebellions and disasters in Japan and its surrounding region, the government's top spokesman said Tuesday [23 April].

The Foreign Ministry, the Defense Agency and the National Land Agency will play a key role in conducting studies of what actions Japan will be permitted to take in such emergencies within the framework of its war-renoucing constitution, Chief Cabinet Secretary Seiroku Kajiyama said.

Natural disasters are to be covered naturally as part of the emergency studies, but the scenario of rebellion in Japan can be studied later because it is unlikely to occur, Kajiyama said.

The studies should be carried out quickly, the spokesman added.

Japan: Changing Policy on Southeast Asia Viewed

OW2204135596 Tokyo GAIKO FORUM in Japanese
Apr 96 pp 22-32

[Discussion between Professor Tamotsu Aoki, of Tokyo University Advanced Science And Technology Research Center, and Kazuo Ogura, deputy vice minister of foreign affairs: "Search for New Line of Foreign Policy Toward Southeast Asia"; recorded on 19 February, place not given]

[FBIS Translated Text] [Moderator] I do not think that discussion about Southeast Asia became particularly active in Japan when ASEAN (Association of Southeast Asian Nations) was inaugurated, yet Southeast Asian economic development during the past 20 years has been remarkable. Mr. Aoki, you are at the center of Southeast Asian studies. Could you begin your comment with this topic [of recent economic development]?

[Aoki] The focus of study for regional research changes over time. When I first went to Southeast Asia about 30 years ago, it was an era for geography, archaeology, and cultural anthropology. Southeast Asia was still a novel region [as a focus of study]. Though it was on the way to modernization, there was a definite border between the cities and rural areas, and the scale of society was small.

However, the region has made remarkable economic growth in the past 30 years. To begin with, there was the development of the advanced industrial countries in East Asia, which gained worldwide notice during the seventies and eighties. Because Southeast Asia was linked with this region, its economic activity also increased. Interaction throughout the entire area, which includes China, Japan, and further, East and Southeast Asia, began to occur very actively. This took place not only in the economic sphere but, at the same time, in the broad cultural sphere. Further, now that Vietnam has joined ASEAN, this whole region has become kind of a block, one that no one can any longer ignore.

For example, take Bangkok. When I made my first visit, it was a city of about 2 million people. Today, however, its population is said to be around 8 million. Not only economic changes, but also societal changes during the intervening period, such as the expansion of population and urbanization, have been astounding. In light of such changes, many economic, political science, and history scholars have begun to study this region. When I use the word history, in the past this tended more to mean archaeology, but, today, specializing in the study of written historical materials has become more active. People used to remark cynically that it [the study of Southeast Asia] was area studies for amateurs. But over the past 30 years, it has completely become an object of specialization throughout the humanities and social sciences.

Today is an era in which the study of Southeast Asia is in the realm of the social sciences in their totality [not just for area specialists]. For instance, sociologists should deal with Bangkok's social issues [that have arisen] since the eighties. As for politics and economics, it is an era in which not only area specialists but also general economists and political scientists need to conduct area studies.

As for the reason, I can cite the fact that the relationship between this region and Japan has become closer. This is the result of Southeast Asian growth through economic development, ODACA (official development assistance) [as published], and so on. In that sense, the era for full-fledged social science studies began in the last half of the eighties. Contrary to the fact that political, economic, social, and cultural studies on Europe and the United States are not considered to be area studies, [those] on Southeast Asia are still considered to be subjects of special area studies. Moreover, even though the people who study this area are increasing, in Japan, interest is still very minimal. I can say that it is still an undeveloped field.

[Moderator] What can you tell me from the foreign policy aspect?

[Ogura] What happened in Southeast Asia around the time the Vietnam war ended was that the Marcos government fell in the Philippines, Thailand's military government became democratized, a democratic election was carried out in South Korea [as published], and so on. Of course, it does not mean that authoritarian political systems have completely disappeared even today, but when we discuss Southeast Asia, how we interpret this issue is significant.

In Southeast Asia, there once was an American anticommunist strategy that was centered around such organizations as SEATO (Southeast Asia Treaty Organization). This was because communism was thought to be the main factor of instability. Japanese foreign policy toward Southeast Asia was also tied to that strategy. However, when the U.S. ended this strategy, Japanese foreign policy made a gradual transition from a so-called strategic relationship to one of development aid in the broad sense. We changed from an era in which the greatest basis for government legitimacy is to protect the independence of a country and to deal with the military threat to an era in which economic development is the basis for a national government's legitimacy.

The interdependent economic relationship between Japan and Southeast Asian countries has increased greatly. For Japan, from places from which merely to obtain natural resources, they have become a broader object of investment. Consequently, the degree of social and political stability in these countries has come to have a different significance than before, and a more nuanced foreign relationship has emerged.

[Aoki] The Vietnam war was the greatest event in the post [Second World] war period for Southeast Asia. The state of affairs in Southeast Asia before and after the war was entirely different. At the time Saigon fell, I happened to be in Bangkok. North Vietnam had Cambodia and Laos under its control, and in Thailand, the people were saying that the northern forces would soon come to Thailand as well — the domino theory. But the fact was that they stopped before they came [to Thailand]. I think it is an ironic reversal, a paradox of history, that since that time, the market principle of economics has gained in force. Wasn't that an historic turning point ?

[Ogura] Recently, though not publicly, some people have even been saying that they could have gained independence such as they have today without making such a great sacrifice as they did in the Vietnam war (they call it the War of Struggle Against the United States). In other words, communism has crumbled in the Soviet Union and East Europe. In Vietnam, the Communist Party is still intact but the market principle is working. If that is possible, then could the unification of the North and South have been peacefully achieved? That is the question some people are posing.

It may also be the case from the U.S. perspective. The question, for what purpose did they make a sacrifice of that magnitude, is being asked once again.

Southeast Asian Economic Development Is Digital Style

[Moderator] As Mr. Aoki said, when the Vietnam war ended, the situation did not develop along the lines of the domino theory. Rather, the market economy advanced, and Asian economic growth has gained the world's attention. However, I think it is a significant issue of how one can explain the high growth of Asia today. What is your opinion on this point?

[Ogura] The first question is whether or not Asian economic growth is genuine. I think that it is indeed genuine in the case of South Korea and Taiwan. But I wonder if it is so in Southeast Asia. As symbolized by Singapore, if I take the cities as examples, development in places such as Jakarta and Bangkok is remarkable. But when one goes out to rural villages in Thailand, remote locations far away from Ho Chi Minh City in Vietnam, islands in Indonesia, and so on, one comes to have questions as to what extent economic growth has penetrated. To exaggerate, one could say that a kind of dual structure urbanization phenomenon is taking place in a radical form in Southeast Asia today.

Be that as it may, I think the process by which the Southeast Asian countries' economies became linked to the world economic system is important. The region, which in the past had been tied to the world economy only through some natural resources such as tin and petroleum, has increased its interdependent relationship with the international economic society through economic ties with countries such as Japan, the United States, and the NIESCA (newly industrializing economies) [as published]. I feel that is the important point.

[Aoki] I feel the same way. Moreover, I think that development today in Southeast and East Asia is "digital style" economic development. In other words, countries such as Japan took 100 years to modernize. I call this analog style development. Economic development here also took place step by step; light industry, heavy industry, and finally the information industry. But in the Southeast Asian case, the international economic and technological environments were already in place, so development could leap ahead without taking each of the steps. So before overall preparation has taken place, even the most advanced can come in. Yet, there are areas where nothing existed prior to the arrival of the most advanced level. It is economic development without stages.

Certainly, the Southeast Asian countries' economies could develop only if the conditions were in order. In the past, the conditions were not right because, for example, of their colonial history and the Vietnam war. However, it was shown what could be achieved when the situation turned somewhat peaceful, and they had the will. South Korea, Taiwan, and Hong Kong have already caught up substantially with Japan. So if the conditions are right, I think that the "Asian stagnation theory" will not hold. The question now is, whether there are any primary factors in common that enable [these countries] to develop. Some say that it is Confucianism. If that is the case, the fact that the overseas Chinese in Southeast Asia are leading industrial development will become an issue.

[Ogura] I think that is an important point. The fact that China had decided to adopt the policy of reform and openness has cast a great influence over Southeast Asia. Because China has turned to the reform and openness line, the overseas Chinese have been able to pursue activities together [with China]. I think it is significant that overseas Chinese linked with China began investing in Southeast Asia.

[Aoki] Yes, it is significant. But also, in Thailand, many skilled technicians have emerged recently, and quite a few have been emerging in Malaysia as well. The overseas Chinese aside, the native industrial sectors have also gained substantial strength. The diffusion of education is also a factor. The influence from Japan and the West is also a factor. All of these and the area's own vitality and latent strength were combined, and a clearly discernible economic sphere has been formed. We cannot explain this by referring to any single "discipline," because Malaysia, Indonesia, and Thailand are either in the Islamic or Buddhist sphere. There may still be some Confucianists in Vietnam, but recently the topic of India's development has been taken up. So we cannot explain everything by crediting it to Confucian thinking.

A limitation of Confucian teaching tends to be that one's own ethnic group and its family community are the main concern. So, apart from the family, they cannot form a social group they can trust. This is a great problem for the industrial and business communities in South Korea, Taiwan, and China. What will determine the success of future development is whether they can give a third party power and transcend the practice of favoring family community ties.

What Will Happen To the Authoritarian Political Trait?

[Moderator] The economy is showing signs of brisk activity. And that is fine in itself, but economic growth and social stability are not necessarily synonymous, is not that right?

[Ogura] There is a commonly held theory that when the economy develops, the middle class will emerge. And when the middle class emerges, values will become diverse, and the arrival of democracy is inevitable. I have a different view. That may be the case in fairly homogeneous societies such as Japan and South Korea. However, Southeast Asia is a very diverse society, to begin with, in terms of ethnicity values. So the simple concept that at a certain stage of economic development, the middle class emerges and values becomes diverse does not apply to Southeast Asia. Since it is a diverse society to begin with, it is difficult to unify.

Therefore, when objectives such as anticommunism, which united countries of diverse ethnicity and religion, and the country's independence somewhat recede [as primary concerns], then the [rallying point] will become economic development. To make the people, the society, and the country affluent, they think they should all band together. However, when that situation reaches a certain point, it will become an issue as to whether or not that alone can provide sufficient legitimacy for the government. This is especially the case as conflicting aspects of economic development emerge, for example urban transportation and environment problems. When many conflicts, such as traffic congestion in Bangkok and air pollution in Jakarta, become commonplace, we begin to wonder if it is enough to find the government's legitimacy in economic development alone.

I believe ASEAN's significance lies here. To direct the people's attention toward changing their country's political system into a more open one and to make the country cooperate with other countries. I wonder if ASEAN will not become the symbol that will shape domestic politics. It could take the form, for example, that they would want to avoid being embarrassed as an ASEAN member or they would want to work together for ASEAN.

[Aoki] Does Vietnam want to join ASEAN strictly on economic grounds?

[Ogura] I think one of the main factors for Vietnam's strong desire to join ASEAN is domestically oriented. In other words, since it wants to reform the domestic economy while almost totally retaining the Communist Party's single party dictatorship, becoming an ASEAN member gives the government the appearance of legitimacy.

Another factor is its relationship with China. Vietnam and China both pursue an open market and communist control. But because they are following the same course, if they are not careful, Vietnam could be in the same boat with China. Vietnam does not want to sink with China [if things do not go well with China] if they both are in the same boat. So Vietnam's intention was that it had to maneuver cleverly. I think it was very strategically oriented.

[Aoki] In Southeast Asia, the Vietnamese are the hardest working, are powerful, and are smart. Some people say that they are to be feared more than the Chinese. Therefore, they say they are not sure what the Vietnamese might do if they really wanted to do something. The Japanese would not comprehend such a Vietnam-as-threat argument. The Vietnamese who work in places such as Thailand are sometimes looked on with suspicion because they are active and work hard.

By the way, today is a time of leadership transition in Indonesia, Malaysia, and Singapore. It is approaching the end for President Suharto, and a successor for Prime Minister Mahathir seems to have been selected. Lee Kuan Yew has already transferred the premiership to his successor. In such times, what will happen to the organization of ASEAN? In Vietnam, the leadership is of the Vietnam war era generation, but the issue is what will happen in the succeeding generation. Vietnam is maintaining a socialist government just as China does, but could such a government maintain the relationship with ASEAN's liberal structure only through its economic aspects?

[Ogura] As for the successor issue, some people worry that because of Vietnamese involvement, political disposition toward authoritarianism, which still remains in Southeast Asia, will be given a lift by Vietnam. Especially when Burma, Cambodia, and Laos join in the future, they fear that ASEAN as a whole might be pulled politically in that direction.

Urban Egoism Has Become Conspicuous

[Aoki] It is great that, in the post Cold War era, economic development has accelerated. However, a gap between the cities and rural areas has emerged, and many aspects of the North-South problem have shown up domestically. So when the "soft" socialist idea — not to urbanize drastically, as in the case of Vietnam, and to attempt to promote egalitarianism by supporting rural communities — is propagandized, its [potential] influence cannot be ignored.

[Ogura] In a sense, I feel that the authoritarian political system is at one with the existence of the rural community. Authoritarian politics are possible exactly because the rural communities exist. Economic growth in Southeast Asia today means urbanization, and the rural communities that remain outside [of such development] are not tied to the international economy. The current authoritarian political system is supporting the coexistence of these two forms of existence. Therefore, I think the fact that economic development is going on only in the limited areas around cities goes hand-in-hand with the existence of authoritarian political systems.

[Aoki] I think you are right in a sense and also understand that this is a region where diverse values are jostling each other. However, in the past 10 years or so, the so-called salary man class has emerged, primarily in large cities. This does not cause values to become diverse, but, instead, causes them to become more uniform. People who had different ideas begin not to pay as much heed to religion, place of origin, or ethnic background and come to esteem the importance of enterprises and economics. With an increased supply of information, they start getting educated by, for instance, watching satellite broadcasts. The number of people who fall in such a category is increasing. I think that the reason ASEAN appears to have become a cohesive body may be due to the existence of such a category of people.

The problem now is that the middle class is very egoistic. They are good at becoming affluent themselves, but will not attempt to spread [their affluence] equally to rural areas and remote places. Hence, urban egoism appears. Forms of public nuisances such as congested traffic in large cities are becoming conspicuous along with urban egoism. This is a social problem in the second stage that emerges when economic growth has been achieved to some degree. The principal countries in Southeast Asia are facing this problem today.

However, there is no theory that will solve this problem. Until now, authoritarian political systems have been leading their societies with a liberal economy or with an anticommunist policy. But in the post Cold War period, there is no mechanism to solve problems such as the economic gap between rural areas and the cities. When Vietnam [influence] enters such an environment, I have a feeling that international unease within societies, different from the pre-Vietnam war era, might emerge.

[Ogura] I worry about that too. The reason is that, when one compares Latin America with Southeast Asia, the character of Latin American politics is a kind of "populism." Because a great disparity also exists there, populism appeals to the people. We must consider the possibility that in Southeast Asia in the future, authoritarian politics will be linked to populism. I think Indonesia's Sukarno possessed some of the qualities of a populist leader. The populists' primary goal is to correct income disparities. So because it seeks to achieve social justice, populism tends to have an appeal. However, populism runs contrary to democratization.

Our foreign policy is one of economic cooperation intended to correct disparities. And, because correcting the disparity between countries and between regions will lead to social stability, we want to cooperate in this effort. However, I am a little worried that what happened in Latin America might happen in Southeast Asia.

[Aoki] I agree. But in Asia, populism does not seem to take root. Some countries, without passing through the populist stage, have gone directly to socialism. So if populism were to be nurtured in a healthy way, as you said, the outcome could be different.

At the same time, the issue is how the leaders of the generation that followed that of those who succeeded in authoritarian politics will lead the country. In the past, they were able to lead because the [educational] level of people was low, but today's urban middle class is well educated and can advocate their own viewpoints. Such people are emerging everywhere, so leadership cannot be maintained through the kind of authoritarian politics that have existed up to now. However, I cannot say that the new generation has really formed any new way of thinking.

[Ogura] Could something like nationalism become a rallying point?

[Aoki] In Southeast Asia today, leaders tend rather to be generally inclined to suppress nationalism, because of a fear of regional ethnicism and religious fundamentalism. In Malaysia, for example, the topic of the relationship between the ethnic Malay, who favor their own people, and the other ethnic groups, such as overseas Chinese, always comes up. Singapore also has an ethnic problem, and, when discipline is slightly relaxed, this issue comes to the surface right away. Such ethnic problems could cause an immediate international ripple effect.

Southeast Asian Foreign Policy Hits the Wall

[Moderator] I want to get into the issue of the relationship between Southeast Asia and Japan. What will be ASEAN's relationship with China, Japan, the United States, and the Pacific?

[Aoki] In the entire Southeast Asia region, throughout history there has been a theory of China-as-threat. Vietnam was under Chinese control for about 600 years and, as a result, maintains a very strong suspicion of China. As for ASEAN, to get along well with China must be its greatest task. In fact, there are ethnic Chinese in each [Southeast Asian] country. Yet, the world conference of overseas Chinese proposed by Lee Kuan Yew was looked on with suspicion by each government. I think that is because there is an unstated but great complication [in their relations with China].

There may be a problem from the past war, but unfortunately, Japan has only economic strength. I do not think that Japan projects the sense of threat that China does.

Japan has had a close relationship with the United States, so the United States is seen as an important factor for Japan. However, Southeast Asian countries, with the exception of the Philippines, have had no close historical ties with the United States. They came to have a systematic connection on a large scale for the first time as a result of the Vietnam war. Until then, they had close relations with their former suzerain countries in West Europe, such as France, Holland, and England. Even today, those ties are psychologically strong. So the United States, as viewed from Japan, has quite a different weight than the United States as viewed from ASEAN.

[Ogura] I feel that Japan's foreign policy in Southeast Asia has recently run into a great wall. The reason is that, for one thing, U.S. strategic interest in Southeast Asia has decreased. This is an extreme view, but about 30 percent of Japan's Central and South American foreign policy is actually aimed toward the United States. In other words, what Japan does for Central and South America will lead to stability in Central and South America and, as a consequence, to stability for the entire American continent. That is how the United States sees it. This is good for the United States. In that sense, over half of Japanese foreign policy in Central and South America is directed toward Central America, but a substantial portion is directed toward the United States.

Similarly, nearly half of the Japanese foreign policy toward Southeast Asia traditionally was supporting the United States. However, when the Vietnam war ended, the East-West confrontation disappeared, and Russia and China adopted reform and openness. So anything that, in a broad sense, confronted U.S. commercial interests in Southeast Asia has vanished. Also, the United States withdrew from the Philippines. As a result of the decreased U.S. strategic interest in Southeast Asia, the portion of Japanese foreign policy toward Southeast Asia that is responsive to the United States has also substantially decreased.

Another factor is that in the past, provision of aid to Southeast Asia, regarding it as the "South," was a major pillar of Japanese Southeast Asian foreign policy. However, Singapore has long been developed, Malaysia also has passed the yen loan stage, and Thailand will likely achieve that status in the future. As for Indochina, it is still important that it be treated as the "South" in our foreign policy. However, in this regard, a substantial number of Southeast Asian countries are graduating from ODA. In that sense, the old form of our foreign policy toward Southeast Asia has reached its limit.

Another thing that has reached its limit is the idea of our diplomacy acting as a bridge between Europe and Asia and between the United States and Asia. Because Southeast Asia is gaining confidence, it has begun to conduct a dialogue on equal terms with Europe and the United States in forums such as APEC (Asia Pacific Economic Cooperation) and ASEM (Asia European Conference). So now the notion that Japan, which is a developed country but pretends to be half Asian, can act as a go-between for the West and Asia has faded.

Consequently, the importance of its North-South foreign policy is also fading. Its bridge diplomacy too has faded. Its foreign policy toward Southeast Asia in which foreign policy aimed at the United States is a feature has also faded. Thus all three of the pillars that up to now have propped up Japan's Southeast Asian foreign policy may collapse. The question, then, is what should we do? I personally think that there are two conceivable pillars.

For one thing, Southeast Asian countries are still very hesitant about becoming members of international society. Let me offer a concrete example: in spite of its high income, Singapore flatly refuses to supply money to the international monetary system. Even South Korea is hesitating to join the OECD (Organization of Economic Cooperation and Development) because it cannot gain consensus support of its people. I feel that the Southeast Asian countries are still avoiding their responsibility when it comes to the stage where they will actively join international society and where they will make their claims and provide their contributions. In that regard, Japan should work toward the goal of enabling them to function responsibly as full-fledged members of international society. If the need arises, Japan should represent their position. In short, Japan should try to help Southeast Asian countries enter international society in the broad sense.

For another thing, the economic development of Southeast Asian countries has generated all kinds of issues for the world. As a result of Southeast Asia economic development, international type problems or problems they share with other counties have appeared [in Southeast Asia]. Therefore, the time for Southeast Asian countries to tackle problems that are international in nature is approaching. I believe Japan can work with them to find solutions.

Until now, Japanese foreign policy toward Southeast Asia has been a "we will do it for you" foreign policy; we will help you, we will act as bridge, and so on. Instead, I think it should become a "let us do it together" foreign policy. As for security, I feel we need to adopt the posture of thinking and acting together.

American Era Is Beginning in Southeast Asia

[Aoki] In Southeast Asia today, no large scale religious or ethnic disputes are taking place. In South Asia, the Middle East, and Central Asia, religious and ethnic problems are causing great turmoil, and the political situation is accordingly unsettled. It may be an unusual phenomenon that the multiethnic states of Southeast Asia are stable. I think it is necessary that Japan monitor this stability and, to prevent such problems from breaking out, it should develop a regionally oriented economic foreign policy, instead of a country oriented one.

In addition, there are many issues that cannot be solved unilaterally or through bilateral negotiations. I think the greatest issue is that when we negotiate with China, we should have the Korean peninsula and Southeast Asia on our side. This is also the case when we negotiate with the United States. To maintain good relations with China, the United States, the EU (European Union), and so on, it is really important that Southeast Asia be in the Japanese camp. So a foreign policy directed toward Southeast Asia that promotes such an end is also necessary.

[Ogura] It is a question whether we can keep all of the Southeast Asian countries on our side. For example, there is the problem of the overseas Chinese. Also, Thailand has historically been very skillful in developing its foreign policy toward various countries, including China and Japan.

I think that the greatest force to deal with China is China. What I mean by that is that we form a pro-Japan faction in China, to build up a force that will cooperate with Japan in China. I think that the number of such people we can cultivate will be important. It is a very difficult undertaking.

[Aoki] Japan is surrounded by the major powers, namely Russia, China, and the United States. So we must carry out our foreign policy toward major powers concurrently with that toward smaller countries.

I think that the American era in Southeast Asia is beginning. U.S. interest has been reduced, both in terms of politics and economy. But conversely, as the Southeast Asian countries have gained economic strength and the urban middle class has emerged, the American-way-of-life, in other words, popular culture such as fast food, has poured in. This is a stage where the masses have come to learn about the United States. The life style represented by such things as jeans and sneakers is also spreading with great speed, beginning with the big cities. A phenomenon similar to what Japan experienced after the [Second World] War has been spreading through Asia during the last five or six years. At the same time, satellite broadcasting, such as that from CNN, is everywhere and information on the world, originating in the United States, is coming in. Such factors will have great significance in Southeast Asia. Things American will infiltrate the life of Asian people of various classes. I do not know how that will influence politics, and, although it may sound paradoxical [because the U.S. has made the strategic retreat], I think that an American era will begin.

[Ogura] But at the same time, resistance against such a trend will appear. Observing current authoritarian political systems, I think rock music perhaps will be tolerated, but some movies will be censored. I think Japan can play a role there. In other words, Japan can demonstrate that nothing negative happens when Japan accepts those things and that traditional culture survives along with them. To make them [the Southeast Asians] understand such a circumstance may be a Japanese obligation.

[Aoki] France is really on guard against the invasion of American popular culture. The nuance is a little different, but Southeast Asia is also on guard. However, when the consumer culture and consumer economy progress, the authoritarian system's fragility is revealed in those areas as well. If I may state it in somewhat exaggerated terms, the "Japan model" may be an effective one for dealing with change. In its public relations strategy the Japanese Foreign Ministry directs toward Southeast Asia, they should advertise the fact that Japan has taken in all kinds of foreign cultural elements, but absorbed them well. Moreover, while it has not lost its Japanese values, it has developed a "blended culture." I think that is very important because the Southeast Asian countries are all troubled by cultural conflict.

Relationship With Postwar Japan Seen From Each Country

[Ogura] There is a very interesting survey. It is a YOMIURI SHIMBUN survey about opinion toward Japan in Asian countries conducted last May. The question was how one thought, in general terms, about the relationship with Japan since the end of the Second World War, positive or negative. Surprisingly, the answer in China was that over 80 percent said, if anything, it was positive. However, there are two countries where over 40 percent of the people said it was negative, or very negative. These were Thailand and South Korea. In those countries, about half the people, 50-55 percent, answered it was positive. In Indonesia, 90 percent said it was very positive.

Another question was "do you want to have Japan be an advocate of the Asian position toward the United States and Europe?" Over 30 percent of Malaysians gave an affirmative answer, but again, in South Korea and Thailand, this ratio was lowest. As expected, South Korea and Thailand do not want Japan to act as bridge to Western Europe and the United States. This leads me to believe that Thailand is where the "we will do things to help you" approach, which I mentioned earlier, is least effective.

[Aoki] The Japanese presence is just too large in Thailand. That is the biggest problem. So it is not necessarily the case with the diplomatic relationship, but [the sentiment of not wanting to rely on Japan] is significantly present in the general public.

When the Thais began their modernization, they avoided the dominance of any one Western country and chose a policy of balance through which they made each of the [foreign] parties compete. That was the secret of their successful retention of independence: that was not the case with Malaysia. That is why they do not like too large a Japanese presence either.

Thailand will assume the same attitude toward the United States or any other country in this regard. Therefore, it is not limited to Japan. They coolly maintain an international balance. So when Japan becomes too prominent, they immediately hit us and try to make us retreat. Their technique is really excellent.

But we, including the general Japanese population, must make an effort to respect Thailand. There are too many problems, such as prostitute-buying tours, which hurt the pride of the Thai people. I think this [negative opinion of Japan] is a reflection of such reality.

[Moderator] Thank you very much.

Japan: Local Korean Comments on Kim Chong-il's Health

OW2204141896 Tokyo NIHON KEIZAI SHIMBUN in Japanese 22 Apr 96 Morning Edition p 8

[Interview with Hisayoshi Pak, chairman of the League of Young Koreans in Japan, by Hiroshi Arai, of NIHON KEIZAI SHIMBUN Asia Department; first paragraph is NIHON KEIZAI SHIMBUN introduction; place and date not known]

[FBIS Translated Text] It is said that Kim Chong-il is the DPRK's (North Korea) leader after the demise of President Kim Il-song. However, he still has not assumed the presidential and other posts. Almost nothing has been reported on his remarks either. We interviewed Hisayoshi Pak (36), chairman of the League of Young Koreans in Japan who met and dined with General Secretary Kim in January this year in Pyongyang as a representative of youths living in Japan, and asked him, among other things, his impressions of General Secretary Kim.

[Arai] Can you describe General Secretary Kim's health?

[Pak] He sat next to me during the dinner party and ate all dishes of the full-course dinner, including duck and cold noodles, without leaving anything. He toasted some 160 members of the youth delegation and greeted them while standing. I was with him for about four hours, dining and enjoying a chorus group's songs. I think there is nothing to worry about his health.

[Arai] Was he concerned about recovery from the flood and interested in, among other things, improving ties with the United States?

[Pak] It was an unexpected flood and all the people in one prefecture became flood victims. I heard that damages were great. However, they were also saying that they were optimistic about recovery because they have hopes for the future. The issue of security with the United States was not much of an issue and people were not talking about it when I was there.

[Arai] What does he know about Japan?

[Pak] It seems that he reads Japanese newspapers. As we were talking about an electronic music instrument, he said that he had read about it in NIHON KEIZAI SHIMBUN. Regarding North Koreans in Japan, he told us to work for the motherland without becoming Japanese. He also asked us about the recovery from the great Hanshin earthquake. However, he did not mention anything about improving ties with Japan.

[Arai] What is your impression of him succeeding to power?

[Pak] Among other things, General Secretary Kim said that the future of socialism and the motherland is bright. It seemed that he was full of confidence.

Japan: Coalition Team Leaves for Seoul for High-Level Talks

OW2204082396 Tokyo KYODO in English 0738 GMT 22 Apr 96

[FBIS Transcribed Text] Tokyo, April 22 KYODO — Top policy-makers from Japan's ruling coalition left Monday [22 April] for South Korea for security and territorial talks with President Kim Yong-sam and other senior officials.

The delegation led by Taku Yamasaki, chairman of the Policy Affairs Research Council of the Liberal Democratic Party (LDP), is expected to discuss the issue of a group of islands claimed by the two countries and a new Korean peace proposal by the United States and South Korea.

Other members of the delegation are Yamasaki's counterparts from the Social Democratic Party (SDP) and New Party Sakigake [Harbinger] — Shigeru Ito and Kisaburo Tokai.

Both countries claim the islets in the Sea of Japan, known as Takeshima in Japan and Tokto in South Korea.

The Yamasaki Mission will confer with Foreign Minister Gong Ro Myung and Defense Minister Lee Yang Ho, in addition to President Kim, coalition officials said.

The officials said the Japanese delegation is carrying a letter from Prime Minister Ryutaro Hashimoto to Kim.

A Japan-U.S. security declaration signed last week by Hashimoto and U.S. President Bill Clinton is also on the agenda in the delegation's talks with South Korean leaders, the officials said, adding the group will confirm Japan's support for the four-way Korean peace proposal advanced by Kim and Clinton on South Korea's Cheju island on April 16.

The Japanese delegation was forced to cancel a planned trip to Seoul in February due to the territorial dispute.

Hashimoto and Kim agreed in a summit meeting in Bangkok last month to separate the territorial question from the start of bilateral fishery talks.

Japan: Agency Considers MSDF Vessel Visit to Russia

OW2304094496 Tokyo KYODO in English 0815 GMT 23 Apr 96

[FBIS Transcribed Text] Tokyo, April 23 KYODO — The Defense Agency is considering the first visit by a Maritime Self-Defense Force (MSDF) warship to Russia in connection with the visit of agency chief Hideo Usui to Russia later this month, agency sources said Tuesday [23 April].

The agency will soon start talks with Russia on the possibility of an MSDF destroyer making a friendship call at a Russian port, the sources said.

The MSDF visit to Russia will probably be reciprocated by a Russian vessel's visit to Japan, but the order could be reversed, the sources said.

Defense Agency Chief Usui is scheduled to visit Russia from Saturday to April 30.

The MSDF also plans to send a vessel to South Korea for the first time this year as part of the annual long-distance practice voyages for cadets.

Japan: Hiroshima Mayor Cautious About Moscow Nuclear Summit

OW2004160796 Tokyo KYODO in English 1543 GMT 20 Apr 96

[FBIS Transcribed Text] Hiroshima, April 20 KYODO — Hiroshima Mayor Takashi Hiraoka said Saturday [20 April] he remained cautiously optimistic about the results of the just-ended nuclear safety summit in Moscow.

The two-day summit ended Saturday with a declaration calling for the improvement of nuclear safety and signing of a Comprehensive Nuclear Test Ban Treaty (CTBT) by this September.

"Although it's a step forward, we cannot be elated without having reservations. We must also prohibit experiments that entail nuclear explosions."

As the mayor of a city that was destroyed by an atomic bomb during World War II, Hiraoka added, "We could truly achieve nuclear disarmament, but it's a far cry from what we want (the total abolition of nuclear armaments)."

Hiraoka cast doubts over China's continued testing of nuclear devices, hoping "CTBT will eradicate all the loopholes on nuclear development, and this could eventually lead to a total abolition of nuclear armaments."

Sakae Ito, the head of an atomic bomb victims association in Hiroshima, said, "I am happy beyond belief."

Ito said, "China cannot remain aloof from the CTBT."

China did not take part in the summit.

"I only wish the United States, Russia and other nuclear weapons nations address themselves to CTBT negotiations earnestly rather than using them as a kind of political tool for their respective domestic elections."

Japan: Bank Signs Agreement on Extending Loans to Slovakia

OW2204094896 Tokyo KYODO in English 0837 GMT 22 Apr 96

[FBIS Transcribed Text] Tokyo, April 22 KYODO — The Export-Import Bank of Japan has signed an agreement with the National Bank of Slovakia for an untied loan of 10 billion yen, the government-financed bank said Monday [22 April].

The bank will provide 7 billion yen of the total, and will guarantee a further 3 billion yen from six private banks, including the long-term credit bank of Japan.

The funds will be used to support capital investment in small- and medium-sized enterprises in Slovakia, the bank said.

These companies find it difficult to raise funds on the country's still underdeveloped financial market, which concentrates on short-term finance, the bank said.

It will be the bank's second untied loan to the country, it said.

Japan: Export-Import Bank To Extend Loans to Philippines

OW2204100496 Tokyo KYODO in English 0846 GMT 22 Apr 96

[FBIS Transcribed Text] Tokyo, April 22 KYODO — The Export-Import Bank of Japan has signed an agreement with Philippines Long Distance Telephone Co. for a loan totaling $41 million, the government-financed bank said Monday [22 April].

The bank will provide $25 million out of the export credit loan, which is being co-financed with the Tokyo branch of Chase Manhattan Bank of the United States, it said.

Philippines Long Distance Telephone is the largest private telephone company in the Philippines and will use the funds to purchase telephone cables and cable connectors from Japanese trading house Marubeni Corp. to help improve local telephone networks, the bank said.

Japan: Early Budget Passage 'Necessary' for Economic Recovery

OW2204123396 Tokyo KYODO in English 1038 GMT 22 Apr 96

[FBIS Transcribed Text] Tokyo, April 22 KYODO — Vice Finance Minister Tadashi Ogawa said Monday [22 April] an early enactment of a national budget for fiscal 1996 and the disposal of bad loans at "jusen" insolvent housing loan companies are necessary to strengthen the nation's economic recovery.

He said at a news conference, "Japan's economy is now moving on a firmer footing than last year."

Ogawa was referring to a statement issued by U.S. Treasury Secretary Robert Rubin in Washington earlier in the day that called for the Group of Seven (G-7) industrialized nations to strengthen economic recovery.

Rubin released the statement after a G-7 meeting of finance ministers and central bank governors.

The statement said in part that the G-7's economic fundamentals are "promising" but "they require that policies continue to be directed at sustaining noninflationary growth and, where necessary and appropriate, at strengthening recovery."

In order to ensure Japan's economic comeback, Ogawa said an early enactment of the 75.1 trillion yen budget for the current fiscal year that started April 1 is important, along with a resolution of the jusen problem now at the center of the nation's bad-loan mess.

The budget bill that passed the House of Representatives on April 11 is now being debated in the House of Councillors. The bill becomes law 30 days after passage through the lower chamber.

Japan: BOJ's Economic View 'Slightly Brighter' Than EPA's

OW2304042396 Tokyo KYODO in English 0338 GMT 23 Apr 96

[FBIS Transcribed Text] Tokyo, April 23 KYODO — The head of the Economic Planning Agency (EPA) said Tuesday [23 April] the Bank of Japan (BOJ) has assessed the nation's economic conditions slightly brighter than the agency's own view.

Shusei Tanaka, the EPA director general, said at a press conference the central bank's economic assessment is "half a step ahead of ours."

"There is a nuance, though the basic understanding is the same," Tanaka said.

Tanaka said, however, "I don't mean to say the BOJ is optimistic."

"I don't think we can be optimistic yet about whether or not the economy will shift into a self-sustained recovery," he said.

Japan: Coalition Team Decides To Draft Financial Reform Program

OW1904121696 Tokyo KYODO in English
0937 GMT 19 Apr 96

[FBIS Transcribed Text] Tokyo, April 19 KYODO — A project team of the ruling coalition decided Friday [19 April] to complete a blueprint for reforming the country's financial policies, including the reorganization of the Ministry of Finance, after the "Golden Week" holiday in early May, team officials said Friday.

The officials also said a working group consisting of six or seven members will be formed to study reforms of the financial policy-making process.

They said the project team headed by Shigeru Ito, chairman of the policy-making board of the Social Democratic Party, has laid down the basic concept for the proposed reforms, which will include a revision of the law governing the bank of Japan and measures to ensure the transparency of finance ministry policy-making processes.

Discussions on the blueprint will center on the Finance Ministry's supervising authority over the Central Bank, the officials said.

JAPAN: 'Top' Official Urges Midterm Financial Program

OW2204084496 Tokyo KYODO in English
0807 GMT 22 Apr 96

[FBIS Transcribed Text] Tokyo, April 22 KYODO — A top government official said Monday [22 April] the government needs a medium-term plan to pull the state coffers out of a "critical situation."

The official said the government should review whether the use of public funds to stimulate economic activity by giving priority to public works has actually led to the expansion of demand in the private sector.

Government sources said the official's remarks reflect expectations that domestic issues, including the rehabilitation of the government's financial condition, will become a focal point in political circles following the Japan-U.S. summit meeting last week.

The medium-term financial rehabilitation plan, which is expected to be mapped out this fall, will include means to cope with the outstanding balance of government bond issues which is estimated to reach 241 trillion yen at the end of fiscal 1996 through next March, the sources said.

The plan will also review public works spending and seek an "ideal form" of social welfare.

In addition, the government will reiterate its intention in the plan to raise the consumption tax rate from the current 3 percent to 5 percent, effective in April 1997, and abolish special cuts in the income and residential taxes, they said.

Japan: MOF Chief Renews Call for 'Jusen' Founders To Carry Burden

OW2304044196 Tokyo KYODO in English
0419 GMT 23 Apr 96

[FBIS Transcribed Text] Tokyo, April 23 KYODO — Finance Minister Wataru Kubo reiterated his call Tuesday [23 April] for additional burden for banks that founded ailing housing loan companies in a plan to liquidate them.

Kubo said at a House of Councillors Budget Committee session, "I want the founding banks to seriously respond to our negotiations as most financial institutions have earned record-breaking net business profits, enjoying massive latent profits."

Kubo said, meanwhile, the government has no intention to revise its present scheme to liquidate the mortgage companies, known as "jusen," with the help of 685 billion yen in taxpayers' money.

"I'm not asking the founder banks to shoulder the total amount simply to cover the 685 billion yen," Kubo said.

Japan: Banks Profit From Selling Shares To Finance Bad Loans

OW2104025396 Tokyo KYODO in English
0234 GMT 21 Apr 96

[FBIS Transcribed Text] Tokyo, April 21 KYODO — Japan's 21 major banks made combined profits of 3,059 billion yen on sales of stockholdings in the 1995 business year through March 31 to help finance write-offs of bad loans to moribund housing loan companies, a business daily reported Sunday [21 April].

The NIHON KEIZAI SHIMBUN said the fiscal 1995 profits on sales of share holdings almost matched the record 3,070 billion yen chalked up in the previous fiscal year which ended in March 1995.

As a result, the major banks saw the book value of their share holdings rise, and their resistance to a drop in share prices weakened accordingly, the daily said.

Among the 21 major banks, the Industrial Bank of Japan ranked first with profit on share sales totaling 450 billion yen, followed by the Long-Term Credit Bank of Japan at 365 billion yen, Sakura Bank at 280 billion yen and Sanwa Bank at 270 billion yen, it said.

The 21 banks wrote off a combined 10,649 billion yen of bad loans in fiscal 1995, with 17 of the banks posting a pretax loss, the paper said.

The banks made the huge profits on share sales for the second straight year to prevent their own capital ratio to the total assets from sharply falling below the international standard set by the Bank for International Settlements (BIS), it said.

Given that the 225-issue Nikkei average stock price index climbed more than 5,000 points to 21,406.85 at the end of March from a year-earlier level, however, total latent profits at the banks seem to have grown by more than 9 trillion yen to 18 trillion yen even after the share sales, it said.

Japan: Police Raid Offices of Major 'Jusen' Borrower 22 Apr

OW2204050896 Tokyo KYODO in English 0228 GMT 22 Apr 96

[FBIS Transcribed Text] Fukuoka, April 22 KYODO — Police raided a Fukuoka-based real estate company, one of the largest borrowers from the failed "jusen" mortgage loan company Sogo Jukin Co., on Monday [22 April], on suspicion of violating a real estate license law.

The police raided the headquarters of Kankyo Kyushu, a real estate broker and air conditioner dealer, and 10 other sites related to the case to obtain evidence.

Kankyo Kyushu, headed by Hisatake Watanabe, is suspected of selling four properties and buying 20 properties without a license between April 1994 and December 1995, police officials said.

The deals are against the Building Lots and Buildings Transaction Business Law, they said.

Kankyo Kyushu Co. has borrowed a total of about 3.77 billion yen from Sogo Jukin Co., police sources said.

Japan: Police Chief Focuses on Organized Crime in 'Jusen' Scandal

OW2304070696 Tokyo KYODO in English 0625 GMT 23 Apr 96

[FBIS Transcribed Text] Tokyo, April 23 KYODO — The chief of the National Police Agency (NPA) on Tuesday [23 April] called for stepped up investigations into the suspected role of organized crime in the failed "jusen" mortgage firm debacle.

"It is widely reported that gangsters were involved in the bad-loan issues related to the jusen companies, so we have to reinforce our investigations." Takaji Kunimatsu said in a speech at a national conference of senior police officers in charge of organized crime cases.

The NPA has already set up a headquarters to deal with crimes related to the bad-loan mess in a bid to help settle the "jusen" issues as quickly as possible.

Kunimatsu asked the police chiefs responsible for gangster activities to cooperate closely with those covering sophisticated crimes in order to quickly solve the "jusen" issues.

Touching on Japan's growing problem with guns, Kunimatsu demanded a serious probe into leaders of organized crime, saying, "unless we expose the guns hoarded by gangsters, we do not have any effective measures against them."

Kunimatsu himself was shot and wounded in March last year by an unidentified assailant.

The NPA chief, expressing concern that gangster organizations have become more concealed, ordered the police chiefs to step up investigations into their activities.

Japan: Former Labor Minister Yamaguchi Pleads Guilty in Fraud

OW1904141296 Tokyo KYODO in English 1327 GMT 19 Apr 96

[FBIS Transcribed Text] Tokyo, April 19 KYODO — Former Labor Minister Toshio Yamaguchi suggested Friday [19 April] he might resign as a Diet member after pleading not guilty to charges of breach of trust and three other separate counts in a loan scandal.

Yamaguchi, an independent member of the house of representatives, denied all the charges against him at the first hearing of his trial at the Tokyo district court.

He is charged with breach of trust, embezzlement, fraud and perjury in connection with a loan scandal that involved two failed credit unions, Tokyo Kyowa Credit Association and Anzen Credit Bank.

Yamaguchi, who served as labor minister from 1984 to 1985 in the cabinet of then Prime Minister Yasuhiro Nakasone, suggested the possibility of resigning when he said, "I deeply feel social and moral responsibility. I would like to decide on resignation at an appropriate time."

His defense counsel requested at the court to have Yamaguchi released on bail. Yamaguchi, 55, has been held at the Tokyo detention house since his arrest Dec. 6 last year.

Yamaguchi has been indicted for allegedly having conspired with former Tokyo Kyowa Chief Harunori

Takahashi, former Anzen Chief Shinsuke Suzuki and Yamaguchi's sister, Yoshie, to arrange 2.7 billion yen in illegal loans from Tokyo Kyowa and Anzen for the sister's company.

The 60-year-old sister, who has also been indicted on breach of trust charges, denied she conspired with her brother at her first trial session March 28.

Yamaguchi has been charged with embezzling money from two foundations, where he was a board member, to obtain collateral for loans to companies run by his relatives.

On Thursday, three former secretaries to the former labor minister pleaded guilty to embezzlement charges and admitted to having conspired with Yamaguchi.

Yamaguchi has been charged with fraud amounting to some 170 million yen from a university in Kumamoto Prefecture, southwestern Japan, in connection with a failed scheme to build a university in the United States.

Yamaguchi has also been indicted on charges of perjury for falsely testifying about the loan scandal before a lower house budget panel last June.

Japan: Article Details MOF Structure, Practices

OW2304002696 Tokyo BUNGEI SHUNJU in Japanese Apr 96 pp 176-193

[Article by correspondent Susumu Mukaidani and BUNGEI SHUNJU news coverage team: "Complete List of MOF Bureaucrats' Post-Retirement Jobs, Assets, and Alliances"]

[FBIS Translated Text] Regarded as the pinnacle of Japan's bureaucracy, the Ministry of Finance [MOF] is on Sakurada Street in Kusumigaseki, Tokyo. While the buildings of other ministries were rebuilt one after another as modern ones, the building of the MOF — a grand six-story building built in 1939 — appears to have increased in dignity. More than a month has already past since the heavy doors of the MOF's front gate — the symbol of its authority — were closed. This is to prevent right-wing terrorism because the MOF's irresponsible way of dealing with the jusen issue has become the main target of public criticism. This is the first time after the war that the front gate has been closed for so long.

"Since everybody is using the back entrance, their attitude is naturally to avoid attention. Just going to my office in the morning makes me feel gloomy. I say to my colleagues that I wish the day for Asahara's [the guru of Aum Shinrikyo] trial would hurry up and come because, then, the headlines with the words Ministry of Finance would disappear from newspapers' front pages." The mutter of an MOF bureaucrat sounded as if it were the voice of the ministry.

Although a big chorus of attack on the MOF has occurred over the jusen debacle, as mentioned above, it was simply a trigger. The burst of public anger is the result of the accumulation of people's distrust of the MOF and its bureaucrats over many years.

The national welfare tax plan proposed by the Hosokawa government two years ago is such an example. Without providing enough information to not only the public and the opposition parties but also the ruling parties, the prime minister's side and the MOF had planned the idea by themselves alone and forcibly announced it. Although it was withdrawn in the end, the MOF did not take the blame for its rashness at all. With regard to the case of Daiwa Bank's huge losses, the MOF, while it knew about the debacle before it came to the surface, did not take adequate measures to deal with the situation as administrative authorities, and even after the problem was disclosed, it dismissed the issue as "cultural differences between Japan and the United States." As a result, the unclearness of financial administration that has been pointed out for some time was highlighted all the more.

People's distrust of the MOF is not limited to its fiscal policy and financial administration. The issue of former credit unions, Tokyo Kyowa and Anzen, revealed that MOF senior officials had been given excessive receptions and/or a large amount of monetary gifts. In particular, the conduct of Yoshio Nakajima (who entered the ministry in 1966), former deputy chief of the Budget Bureau who resigned after suspicions about his dubious money-making deals, showed the arrogance and decadence of the giant organization to the people once again.

Moreover, public anger reached its peak when it was learned that retired MOF officials had assumed posts at the jusen companies and received an enormous amount of retirement allowance from them.

Treating their misgovernment and scandals as if it were something that did not concern them, those who were responsible at the time got post-retirement jobs at government-related organizations or business groups and gained a large retirement allowance in just two or three years, which average office workers would not get even if they worked until retirement age. Authority entrusted to the bureaucrats to be exercised for the people should never be allowed to be used for securing their "amakudari" interests [a practice known as 'descent from heaven' in which retired senior bureaucrats receive high-paying jobs in the private sector or in public corporations].

The reason why the BUNGEI SHUNJU coverage team has dared this time to delve into not only the bureaucrats' amakudari jobs but also their assets and alliances centered around their wives' relatives — matters which belong to their private lives — is because we wanted to examine the structure of the MOF's domination that expands limitlessly and to reconsider what the MOF should be. First, let us take a look at the actual situation of former MOF officials' amakudari practice.

According to data concerning the jusen issue submitted to the Diet by the government, 138 former MOF officials hold the president or director posts in 96 banks, 60 percent of the total 150 banks nationwide. However, economic commentator Atsuyuki Suzuda points out that this figure is what is published on the banks' lists of directors and the real number should be bigger.

"Although Sumitomo Bank does not offer such posts as president or vice president to former MOF officials, it accepts them as advisors. If such advisors and chairmen of overseas subsidiaries that are not on the list are counted, the number of retired MOF officials assuming bank posts amounts to quite a large number," Suzuda says.

There are banks called "MOF bank" because they have reserved posts for retired MOF bureaucrats. For example, the Nippon Credit Bank, the Bank of Tokyo, and the Bank of Yokohama are this way.

For instance, the Bank of Yokohama's chairman and president posts have been the reserved seats for retired administrative vice ministers ever since the late President Takashi Ihara [as published] appointed Administrative Vice Minister Jiro Yoshikuni (1943) as his successor in 1975.

The present chairman is former President Takashi Tanaka (who joined the MOF in 1948), and the president is Sadaaki Hirasawa (who joined the MOF in 1955), former governor of the People's Finance Corporation [PFC].

The MOF increases its amakudari posts in two ways. One method is to make industry establish a business organization by an administrative notice and assume control of its posts. Such examples are the Trust Companies Association of Japan [TCAJ], the Marine & Fire Insurance Association of Japan [MFIAJ], and the National Federation of Trust Bank Workers' Unions (Zenshinren). The office of TCAJ vice chairman is currently held by Kazumoto Adachi (who joined the MOF in 1957), former director general of the Financial Bureau, and the post of MFIAJ vice chairman by Eisuke Hamamoto (who joined the MOF in 1961), former director general of the National Tax Administration Agency.

The other measure is to send its official to an ailing bank under the pretext of rebuilding its management and to keep a position held by the bureaucrat as an amakudari post for MOF bureaucrats even after the bank becomes sound. The Nippon Credit Bank — whose presidency is held by Hiroshi Kubota (who joined the MOF in 1954), former director general of the National Tax Administration Agency — is the typical case of it. Also, the appointment of Yasutaka Miyamoto (who joined the MOF in 1953), former director general of the Financial Bureau, to the post of Zenshinren president was done under the name of maintaining financial order. Once the bureaucrats acquire an amakudari post, they never give it up, considering it their "vested rights."

Needless to say, the worst effect of bureaucrats' amakudari practice is their "cozy relationship with the industry." While it is well known that a total of 13 former government officials have descended from heaven to the presidential posts of six jusen firms, there is criticism that one of the reasons why jusen's bad loans have swelled is because a measure was being sought of how to settle the issue without bringing disgrace on the former MOF bureaucrats.

In addition to private firms, government-related organizations like special corporations are regarded as another hotbed of amakudari.

At present, the total number of special corporations under the jurisdiction of the central government agencies is 92. Of them, the PFC, the Japan Development Bank [JDB], and the Export-Import Bank of Japan [JEXIM] are supervised solely by the MOF. The MOF mainly controls government-related financial institutions. In addition, there are a number of organizations jointly supervised by the MOF and other ministries: the Housing Loan Corporation, the Small Business Finance Corporation, the Agriculture, Forestry and Fisheries Finance Corporation, the Environmental Sanitation Business Financing Corporation, the Hokkaido-Tohoku Development Finance Corporation, the Central Bank for Commercial and Industrial Cooperatives, the Agriculture, Forestry and Fishery Credit Fund, and so on.

There are 20 special corporations whose heads' title is "sosai [governor]" — not counting the Bank of Japan [BOJ] which is an authorized corporation — and they are considered to be "higher in rank" than other government-related organizations. Of those superior special corporation's, the PFC, the JDB, JEXIM, and the Overseas Cooperation Fund are regarded as the best, and the MOF has been holding the governor posts of these institutions as its reserved posts for amakudari. The

JDB and JEXIM class governors are paid 1.691 million yen a month, which is much above administrative vice ministers' monthly salary of 1.304 million yen. Also, the governors at this level are said to receive a retirement allowance of approximately 30 million yen for serving two terms — four years. On top of that, they will again assume the top posts of other special corporations, and will receive a large amount of salary and retirement allowance.

While the office of BOJ governor is considered to be the highest post for retired MOF officials, the presidency of the Tokyo Stock Exchange [TSE] is the next highest one. After the recession of 1965, Nomura Securities President Minoru Segawa, who was serving as TSE president at that time, took the lead in receiving JEXIM President Teiichiro Morinaga (who joined the MOF in 1932) as the next president of the TSE in order to rebuild the securities industry. Since then the post of TSE president has become the reserved seat for retired big-shot MOF administrative vice ministers.

Be that as it may, why is the president of the TSE, which is a mere business organization, the second best post for retired MOF bureaucrats? The general explanation goes that it is because the significance of the TSE has risen due to the rapid growth of the Japanese securities industry, which is now comparable to markets in London and New York. Such an explanation is certainly true, but some insiders whisper that the real reason is because a salary similar in amount to that of BOJ governor is guaranteed. When the coverage team made an inquiry about the salaries and bonuses of its directors, the public relations office of the TSE replied, "The nature of the information is not appropriate for publication, so we do not make it public."

The Policy and Public Relations Division of BOJ's Planning Bureau too, said, "We do not make it known because it is a matter of privacy." Then, we turned to the list of "big taxpayers" published in every May to check the tax paid for FY 1993. According to a report of a private research institute, the amount of tax paid by then TSE President Minoru Nagaoka (who joined the MOF in 1947) was 20.149 million yen. Meanwhile, BOJ Governor Yasushi Mieno paid 20.037 million yen in tax. Calculating back from the tax paid, the estimated income for both of them is about 60 million yen. This illustrates how big the income of TSE president is since the monthly salary of JEXIM and JDB governors is approximately 1.7 million yen.

Morinaga, who was called the "kingpin of the MOF," is the only person who has ever held both offices of TSE president and BOJ governor. After him, it seems a pattern was established in which the post of BOJ governor is taken by "the face" of retired MOF officials, and the position of TSE president is assumed by an influential official who will be controlling the personnel matters of retired MOF officials.

The director's retirement allowance is computed by the following formula: "Monthly salary at the time of the retirement multiplied by years of service multiplied by contribution coefficient." According to judicial precedents, the contribution coefficient of a representative director is limited to three by the Supreme Court decision of 1985, and 2.2 by the Tokyo High Court ruling of 1989.

A licensed tax accountant says, "In general, that is the limit the tax office would accept. If we use the formula to calculate a director's retirement allowance — supposing the person receives 1 million yen a month and has worked for 20 years — it amounts to only 60 million yen. A retirement allowance that exceeds this amount will be judged as excessive and cannot be written off. Viewed in this way, the fact that former bureaucrats receive tens of millions yen in retirement allowance — although it is up to companies to decided whether they will pay or not — in just several years reveals how large their yearly incomes are and how absurd it is."

The MOF has more amakudari posts than any other ministries. This is because the MOF's amakudari network extends even to special corporations that are supervised by other ministries. For example, the Ministry of International Trade and Industry (MITI) only sends, in principle, its retired officials to special corporations that are under its control. However, the MOF dispatches its retired bureaucrats to special corporations that are not under its supervision as directors, auditors, or accounting managers. The explanation goes that they were asked for the job because of "their experience as professionals in financial affairs," but the reality is that they are "squeezed in" by the MOF with its power to control the budgets of other ministries and related organizations. Also, the MOF sends its retired administrative vice ministers to the chairman post of the Fair Trade Commission, and the post of president of Japan Tobacco Inc.

The office of MOF administrative vice minister is usually assumed at the age of 55. In the world of bureaucrats, there is an unwritten rule that, when one of the members of the same class takes the post of administrative vice minister, other members retire or are transferred to other ministries. In some cases, the bureaucrats leave the ministry as early as before 50. On the issue of MOF's amakudari practice, Kazuma Tsutsumi, secretary general of Liaison Council for Special Public Corporation Trade Unions, comments, "Although the MOF says, 'the reemployment of retired officials is determined, under the freedom to choose one's occupation guaranteed by the Constitution, on the basis of the individual's strength so as to make use of his skill,' it is a downright lie."

According to Tsutsumi, retired MOF bureaucrats become a member of the "Okura Doyukai." Currently, there are approximately 1,000 members (excluding those who became Diet members). He says the personnel matters of the members are decided together with those of the present officials in a systematic way. In other words, the personnel administration of the MOF is carried out on the assumption that its bureaucrats descend from heaven.

"Each member of the Okura Doyukai are offered a post-retirement job three times. The goal is to keep working until "the age of 70" — the age eligible for a decoration. Supposing they serve at one place for five years, the 15 years from 55 to 70 amounts to three jobs," Tsutsumi says.

As a matter of fact, 90 percent of MOF Secretarial Division chief's job is the personnel appointments of its retired officials. However, it is said that the post-retirement careers of administrative vice ministers are decided by listening to the opinions of influential former administrative vice ministers. Furthermore, when it comes to the appointments of BOJ governor, TSE president, JDB governor, and JEXIM governor, the MOF's director of the Secretariat and Secretarial Division chief lay the groundwork by sounding out the intentions of such big-shot former finance ministers as Kiichi Miyazawa and Noboru Takeshita.

The virtual domination of government-related organizations by former bureaucrats is the greatest hindrance to the administrative reform. The ministries stubbornly resist the streamlining of special corporations because they do not want to loose even a single amakudari post.

While various problems of amakudari — for example, administration becoming fat and inefficient — have been repeatedly pointed out, how do the very former MOF officials view amakudari?

Former Administrative Vice Minister Fumio Takagi (1943) became a lawyer after his retirement. But, in the following year, in 1976, Prime Minister Takeo Miki urged him to assume the governor post of the National Railways, which had been in great financial difficulties. Being not able to decline Miki's strong request, Takagi took the job. Although it would appear that he descended from heaven to the head post of a government-related institution, the National Railways was not an agency under the control of the MOF. Takagi, who now works as lawyer, is critical of the amakudari practice: "Although amakudari may be a part of consideration in one's life plan, I am against it. Companies and organizations employ retired MOF officials in expectation of the bureaucrats' influence over their old ministry. While it is fine if the reemployment is the result of one's ability being appreciated, it is unpleasant if I am hired because the employer expects me to use my influence with the MOF when there is a problem. It is a pity that people these days do not have a rebellious spirit."

But Takagi's idea is shared by a very few retired bureaucrats.

Another big-shot former vice minister said with a displeased look, "Speaking of amakudari — while you may say I am one of those who descended from heaven — the question is not whether such a practice is good or bad. It is all right if there is a retired official who would spend the rest of his life enjoying his hobby. At the same time, there are bureaucrats who would — in most cases they are asked to — take several post-retirement jobs. It depends on each bureaucrats. Other people do not have the right to say anything about it."

Words such as "being asked," "utilizing human resources," and "reemployment of putting the right man in the right place" are often used by bureaucrats. But, as mentioned above, since there is a solid fact that posts once secured as the MOF's reserved seats are systematically succeeded — from one bureaucrat to another — within the circle of MOF bureaucrats, the understanding of the public would not be attained no matter how they claim the appropriateness of amakudari.

At the root of the amakudari issue is the real intention of former MOF bureaucrats: "Doing amakudari is only natural since we served our country on a low salary while we were civil servants." Actually, an image of bureaucrats is that they are underpaid, considering their demanding job, and they live in small civil servant's apartments while they are in service. Bureaucrats' logic behind amakudari is that their post-retirement employment should make up for what they did not get during their service with government.

Nevertheless, our investigation has shown that all of the 13 incumbent senior officials — of the seven Bureaus, the Secretariat, the Mint Bureau, and the Printing Bureau in the ministry proper — do not live in the civil servant's apartments, but in their own houses.

For instance, Administrative Vice Minister Tadashi Ogawa (who joined the MOF in 1962) lives in a quiet residential area in Okura, Setagaya in Tokyo. The area of land is approximately 264 square meters. With 161 square meters of floor space, his house is a white, simple but elegant, two-story building with a garage. Ogawa has also acquired approximately 264 square meters of neighboring land in 1993. Using the "Survey on Land Price Trend" published by the Tokyo Metropolitan government, the market price of the land at that time is estimated at about 130 million yen.

In 1985, Tax Bureau Chief Nobuaki Usui (who joined the MOF in 1965) purchased land in an upscale residential area in Ouzenji, Aso, Kawasaki [in Kanagawa Prefecture] developed by Mitsui Real Estate Development Co. Ltd, and built a modern two-story house with a lawn garden. The area of land is about 198 square meters.

Banking Bureau Chief Yoshimasa Nishimura (who joined the MOF in 1963) bought a newly built 95-square-meter condominium in Shirakawa, Koto [in Tokyo] in 1984 and bought the room next door (75 square meters) in the same condominium under a joint ownership with his eldest son in 1994.

Securities Bureau Chief Atsushi Nagano (who joined the MOF in 1966) acquired approximately 165 square meters of land in Shirota, Setagaya — an old, rich neighborhood — in 1988 under joint ownership and built a cream-colored residence with a stately gate. In passing, their market price at that time is approximately 300 million yen.

The above bureaucrats who acquired fine houses while in office do not represent special cases. Investigating the information on the housing of successive senior officials has revealed almost the same trend.

Then, why are they able to live in excellent locations in the Metropolitan area or rich neighborhoods in the suburbs where an average office worker would find it impossible to?

According to an estimate of bureaucrats' yearly income in 1994 by the NIHON KEIZAI SHIMBUN, the annual income of administrative vice minister (at the age of 56) is 25.55 million yen, and that of director-general class officials (at 53) is 19.41 million yen.

In terms of age, Nagano, for example, who is 51, is comparable to manager-class workers in private companies. However, the salary of bureaucrats who have climbed up to the post of director general can be said to be rather higher than their counterparts in private firms. Besides, each of them are provided with their own spacious office, secretary, and chauffeur-driven car. Still, although they are well-paid, it does not seem easy to buy the above-mentioned houses with their income.

In fact, bureaucrats who would rise to the director general and higher positions are said not to have any trouble making a living. Conversely, it is not impossible to say that the bureaucrats who make a good living would climb up to the posts of director generals and vice minister. In this respect, the existence of an alliance centered around a bureaucrat's wife's relatives as his backing force cannot be ignored.

For instance, Financial Bureau Chief Koji Tanami (who joined the MOF in 1964) — who lives on an area of 1041 square meters in Motoazabu, Minatoku [in Tokyo] — is married to the second daughter of former Bank of Yokohama President Takashi Ihara. Ihara is an important figure who originally started as an MOF official (in 1931). After serving as director general of the Financial Bureau, he became the Minister to United Kingdom, and later he descended from heaven to take the post of the chairman of Regional Banks Association of Japan and held the office for four terms.

The wife of Securities Bureau Chief Nagano is the second daughter of the late Tameyoshi Arakawa, former president of a well-known necktie manufacturer Ara Shoji. There are many other examples of MOF officials marrying the daughters of politicians and big businessmen.

Arranging marriages between MOF bureaucrats and daughters of powerful families is said to be another job of the Minister's Secretariat's Secretarial Division chief. Diet Member Koji Kakizawa, a former MOF official, once said on a radio program of Nippon Broadcasting System, "the Secretarial Division has a pile of pictures of daughters from wealthy families who want to marry their daughters to MOF elites."

One MOF official reminisces, "I kept declining the Secretarial Division's offer because I had a girlfriend I had been dating since I was a college student, and I married her. As she got to know other bureaucrats' wives, my wife came to say sometimes, 'Why are those people able to live so luxuriously?' I said to myself, 'That is because you are poor...[ellipses as published]' When I was young, I thought my choice of partner was fine because I loved her. But when I see how other people are doing after 20-odd years, I do not think my choice — as the selection of one's life — was a good one."

In addition to the ties between "politicians and bureaucrats" or between "businessmen and bureaucrats," the connection between "bureaucrats and bureaucrats" is said to have become noticeable recently. For example, PFC Governor Mamoru Ozaki's (who joined the MOF in 1958) daughter is married to Shigehiro Kuwabara, first secretary stationed in Canada, who joined the MOF in 1979. Also, former Administrative Vice Minister Jiro Saito's (who joined the MOF in 1959) daughter is the wife of Mitsutaka Inagaki who entered the ministry in

1980. Inagaki is viewed within the ministry as the future director general of the Budget Bureau.

This "self-multiplication" of MOF bureaucrats has the danger of further growing their self-righteous logic that is quite different from the public's sense.

Of 79,000 MOF employees, the number of high-ranking officials referred to as "career" is only 800. How are they selected and how are they trained to be MOF bureaucrats who are regarded as the elite of the elites?

About 23 people are chosen every year from those who passed the civil servants' Examination for General Administration Level 1 as prospective senior officials. An overwhelming number of them are the graduates of University of Tokyo's law school.

After they join the ministry, they first receive joint training with other ministries' bureaucrats as well as the MOF's own training. After that, they are assigned a job to visit the offices of the members of the Budget Committee and the Finance Committee in the Diet Members' Office Building and try to find out in advance what they are going to question in Diet sessions.

In the third year, young MOF officials follow two different paths: "those who study abroad" and "those who study at home." Nowadays, almost all of them go abroad for study. The "domestic group" studies economics. But the training centers on the absorption of theories and knowledge, and there is not much education on the actual state of economy.

By actually engaging in the administrative work of the MOF, they are thoroughly taught what is necessary to govern the country. They become subdivision chief in the ministry proper in four to five years after entering the ministry. In the sixth or seventh year, they are usually sent to regional taxation offices as the head. The term is one year. By having young officials around 30 years old experience the leadership of a local district, the MOF teaches them "what governing is." The MOF calls it "education of kings." After that, they return to the ministry proper as assistant division chief, and their career as full-fledged MOF bureaucrat starts.

MOF bureaucrats have to be the "educational elite" who are good at studying. At the same time, they should have the ability to manage the nonelite officials who are 10 or even 20 years older than them. A mere "educational elite" will not be successful.

After serving as assistant division chief for approximately 10 years, they are promoted to the post of division chief in the ministry proper. In the next five to six years, they hold the offices of regional bureau's chief, councilor, and deputy bureau chief in the ministry proper. A fierce competition begins to reach the final goal: the post of administrative vice minister.

The MOF is vested with such powerful national power as preparing the budget, collecting taxes, managing national assets, and controlling finance. With this mighty authority as a weapon, the MOF has controlled other ministries and has established its status as "the ministry of ministries." The Defense Agency, the Economic Planning Agency, the Hokkaido Development Agency, the Environment Agency, and the Management and Coordination Agency are typical examples of ministries controlled by the MOF. The MOF virtually dominates these agencies by sending its incumbent officials to the important posts of these agencies in the fashion of personnel loan. Koichi Kato, secretary general of the Liberal Democratic Party, points out that the fact that the MOF is governing all the other ministries is the problem:

"At the beginning, the Defense Agency was not successful in securing much budget. And, politicians were indecisive about it. Under the circumstances, the MOF made a judgment — purely from a national point of view — that money should be appropriated for the defense, and sent its officials to the agency and supported it. Speaking of the Environment Agency too, the agency wanted a connection with the MOF since they did not have any idea of how to spend money for the environment during the era of high economic growth."

"Judging that the environmental budget would be needed in the future, the MOF sent its people to the agency. Also, in the case of other ministries, the MOF probably dispatched its officials with pure motives in the beginning. This should be regarded highly. However, the problem is that even after things got off the ground the MOF officials on loan to other ministries remained there."

Each ministry pays attention to the MOF to secure its budget. That gives MOF bureaucrats a sense of superiority and makes them think other ministries are below them.

For instance, expected questions and answers for Diet sessions are first prepared by each ministry and then the MOF's General Coordination Division checks through them. Going over the document, young bureaucrats are said to even yell at assistant division chiefs and division chiefs of other ministries on the phone.

"They send a fax at 0200 or 0300 and have us visit them just to confirm numbers or to correct things that have already been okayed. Moreover, while they are the ones who have called us to come first thing in the morning, they keep us waiting for half a day, or as a worse case, they say forget about the question," a non-MOF bureaucrat says.

MOF bureaucrats have exercised their strong authority with the pride that they are the ones who are supporting the country. No one denies that this has played a great role in the development of the Japanese economy to a certain point. However, 50 years since the war, it has been pointed out repeatedly that the existing system no longer functions. Nevertheless, the old bureaucratic structure has remained, and bureaucrats' attitudes have become more and more authoritarian. One can safely say those people have led to the current distrust of the MOF.

Although there is a move within the MOF to reflect and take responsibility, MOF bureaucrats are not yet able to stop believing that they are "infallible."

"The MOF now mobilizes all its senior officials to lay the groundwork. By that, it means they go and explain the jusen issue to various circles. That is, they seek support for the use of public funds to dispose jusen's bad loans. To put it another way, they are trying to silence those who criticized the MOF. The Secretarial Division makes a list of economists and journalists who have severely criticized the MOF. The list is divided up among the director general-level officials, and they visit those economists and journalists to explain the issue," a newspaper reporter says.

The bureaucrats are not aware that the more the MOF claim its righteousness, the more the public's distrust of it expands.

Sakigake Diet Member Fumihiko Igarashi, who published a book entitled "Breaking Up the MOF" in February last year, says he has been told a number of times by MOF bureaucrats that, "We do not want you to single the MOF out for criticism and propose breaking it up. If you are going to advocate the dissolution of the MOF, we want the issue to be taken up as an issue for all ministries."

"Of course my position is to break up all the ministries. It is their favorite trick to obscure the issue by expanding its scope and making it too big to be dealt with," Igarashi says.

For good or evil, this is the nature of bureaucrats.

The MOF's performance rating is based on the demerit system. Under this method, everybody considers how to protect their own interests as a matter of course. The risk of "taking responsibility" has to be avoided. Since making a mistake is a minus, nobody attempts to solve issues in a drastic way. The fact that successive Banking Bureau chiefs have left the jusen issue untouched is typical.

Unless the bureaucracy's habit of leaving problems untouched is changed, and the bureaucratic system — in which individual bureaucrats do not take responsibility for their conduct while they are vested with more power, practically speaking, than politicians — is reformed, the same mistake will be repeated.

Amid active debate on the issue of breaking up the MOF, the MOF itself has also begun to review its organization. Whether or not the reform of the MOF by itself will be successful can be judged to some extent by looking back on the establishment process of the Securities and Exchange Surveillance Commission [SESC] in 1992.

The principal role of the SESC was to watch unfair dealings in the securities market. But the MOF sought to characterize the commission as a body that regulates the entire financial markets. One of the roles of the SESC was to run a check every three months on the status of the MOF's banking inspection. This was meant to strengthen the SESC's authority over the MOF, and to secure its independence from the MOF. Meanwhile, the MOF kept the inspection department — which would serve as the foundation of the SESC — within the ministry.

Then, in September 1992, the MOF separated the Banking Inspection Department from the Banking Bureau, which was in charge of banking administration, and set up a new banking inspection department under the Minister's Secretariat. The MOF, under the name of securing staff for the SESC and the new inspection department, requested an increase in its posts, and its Budget Bureau was prompt in approving an increase of 25 officials. This is precisely an example of "becoming richer after a fire."

After all, it is unreasonable to expect the bureaucrats — who work in a world where acquiring a budget and expanding an organization are considered to be the greatest accomplishments — to conduct an administrative reform that would lead to the reduction of their vested interests. In fact, MOF bureaucrats do not seriously think their ministry will be dissolved.

An MOF insider says, "Banking and public finance are closely connected to each other, and they have supported the revival and growth of the Japanese economy. They are, so to speak, the linchpin of Japan's economy. Separating the two means denying the foundation of the Japanese economy. Also, there is no need to divide the MOF's authority. Although there has been an argument for breaking up the MOF for several decades, nobody thinks it will be done."

Minoru Nagaoka, advisor of Japan Tobacco Inc. and a powerful former MOF administrative vice minister, also says, "Recently, only the reform of the financial administration is being discussed. I think this is wrong. It is questionable whether the separation of public finance and banking would bring results. I think the reorganization of the MOF has to be considered in the context of discussing the reorganization of government ministries and agencies into fewer but larger organs."

Igarashi expresses indignation against the bureaucrats, "Those bureaucrats who claim the MOF should be kept as it is are just trying to secure the posts for their amakudari. Breaking up the MOF cannot be realized unless a movement arises among the people demanding it."

The fact that the MOF protects its interests boils down to defending its amakudari interests. Once a storm of public criticism passes, former Vice Minister Kyosuke Shinozawa (who joined the MOF in 1960), former Banking Bureau Chief Nobuyuki Teramura (who joined the MOF in 1961), and Banking Bureau Chief Nishimura, who is said to retire this June, would all take suitable amakudari posts, forgetting that they attempted to use the taxpayers' hard-earned money to dispose the jusen mess.

On the issue of HIV-tainted blood products scandal, Health and Welfare Minister Naoto Kan admitted the responsibility of the government over the bureaucrats who had been avoiding their responsibility all the time and apologized to the victims and their families. This illustrated to the public that if "politicians" make a decision, "bureaucrats" will follow. Now is the only chance for the "people" to have "politicians" reform the structural issues of the "bureaucracy."

Japan: Poll Shows Support for Hashimoto Cabinet Rising

OW2304010696 Tokyo KYODO in English 2352 GMT 22 Apr 96

[FBIS Transcribed Text] Tokyo, April 23 KYODO — Public support for Prime Minister Ryutaro Hashimoto's cabinet has rebounded to 48.3 percent from 36.7 percent in March, showed a newspaper poll published Tuesday [23 April].

The poll was conducted by the NIHON KEIZAI SHIMBUN between Friday and Sunday on 3,000 voters nationwide, of whom 1,776 or 59.2 percent responded.

It is the first time the rating for a cabinet has risen by more than 10 percentage points in a month in a NIHON KEIZAI SHIMBUN poll since it began conducting an opinion poll under the current method in 1987.

The business daily said Hashimoto's cabinet got a 54.3 percent approval rating in a poll conducted in January soon after he assumed the premiership.

The percentage of those who disapprove of Hashimoto's cabinet fell to 28.5 percent from 40.2 percent in the last poll, according to the paper.

The newspaper attributed the rising approval to public appreciation of Hashimoto's political leadership in dealing with a series of diplomatic events such as summit meetings last week with U.S. President Bill Clinton and Russian President Boris Yeltsin.

The survey also found 68.6 percent of the respondents support the return of the Futenma airfield in Okinawa Prefecture to local landowners as agreed earlier this month between Japan and the United States.

Among other findings, the poll showed 48.5 percent opposing Japan-U.S. cooperation in view of a possible armed conflict on the Korean peninsula.

The percentage of those who support legal changes to make it possible for Japan to provide logistic support to the U.S. military in case of emergencies in the Far East was only 39.6 percent, the poll showed.

Hashimoto and Clinton agreed at their April 17 summit to promote bilateral defense cooperation in the event of emergencies in the Far East.

Japan: Article Discusses 'Koshikai' Anti-Ozawa Group Within NFP

OW2304021396 Tokyo MAINICHI SHIMBUN in Japanese 21 Apr 96 Morning Edition p 2

[Article by Koji Akamatsu: "'Anti-Ozawa' Stand Strengthens Unity of Koshikai Members"]

[FBIS Translated Text] It will have been three months on 21 April since "Koshikai," a group within Shinshinto [New Frontier Party — NFP] led by former Prime Minister Tsutomu Hata, was inaugurated. This policy study group officially says its objective is "to revitalize Shinshinto through policy study." However, each time it holds a regular meeting, it merely questions and criticizes the way Shinshinto head, Ichiro Ozawa, steers the party. The group recently set up teams to study "foreign, security" and other basic policies. As such, it has promoted independent policy study, estranging itself further from the party leadership.

At a regular meeting on 18 April, Koshikai members criticized Ozawa's planned trip to the PRC, saying: "Although he plans to use a chartered plane for his trip, he should make his trip expenses as inexpensive as possible considering the party's severe financial conditions," "What in the world is he going to discuss with the Chinese?," and "He should have obtained prior approval for his trip at an executive committee meeting." Koshikai members have long complained of the party leadership's opaque financial management, and this is behind their questioning and criticism of Ozawa's visit to the PRC and his way of steering the party.

At the meeting, the group decided to promote its own policy study by establishing teams, independent from party research committees, for study on "foreign and security policies," "financial issues," and "education." The teams will be led by Hajime Funada, acting Shinshinto general council chairman, and others. A junior party member worriedly said: "This is just like creating factions similar to those the Liberal Democratic Party had when it dominated the political world."

However, Koshikai membership is a mixture of those who hope to establish a new party and those who oppose the idea of Koshikai becoming a faction within the party: The former group includes Funada, and the latter is mainly composed of former Japan New Party members. Thus, Koshikai members are not necessarily monolithic but "their anti-Ozawa stand puts them together," (according to another junior member).

Japan: Toyota's Vehicle Production Drops; Nissan's Rises

OW2204072096 Tokyo KYODO in English 0529 GMT 22 Apr 96

[FBIS Transcribed Text] Tokyo, April 22 KYODO — Motor vehicle production in fiscal 1995 fell at Toyota Motor Corp. and rose at Nissan Motor Co. according to figures released Monday [22 April] by the two automakers.

Domestic production of cars, buses and trucks at Toyota decreased 9.4 percent from a year earlier to 3,174,300 vehicles, amid the fall in exports.

Nissan's domestic output rose 5.5 percent from a year earlier to 1,676,947 vehicles.

Japan: Automakers Expanding Thai Plants To Stave Off Competition

OW2004105996 Tokyo KYODO in English 1037 GMT 20 Apr 96

[FBIS Transcribed Text] Nagoya, April 20 KYODO — Some Japanese automakers with plants in Thailand are bolstering their output, partly to stave off competition from foreign rivals seeking to expand their presence in an increasingly vibrant local market, industry sources said Saturday [20 April].

The automobile market in the emerging economy is expected to soon rocket to 850,000 units a year from the 570,000 units sold in 1995, the sources said.

Thailand will also become the largest production stronghold of Japanese automakers in Southeast Asia, they said.

Toyota Motor Corp. plans to boost the annual production capacity of its local joint venture, Toyota Motor Thailand Co., from the current 200,000 units to 240,000 units by 1998, while increasing its workforce by 2,000 to 5,900, Toyota officials said.

Nissan Motor Co. plans to jack up its local plant's production capacity from 90,000 to 140,000 a year by 1998, Nissan officials said.

Honda Motor Co. envisages doubling its local production capacity to 60,000 by 1998, Honda officials said.

These production programs are aimed at staving off moves by the U.S. "big three" automakers to enter the market with production facilities of their own, the sources said.

Toyota, Nissan and Isuzu Motors Ltd., going beyond their business groups, have started joint local production of common components for use in their automobile engines to hold down their investment outlays there, the sources said.

An executive at Siam Toyota Manufacturing Co., a Toyota joint venture with Thai companies that produces engines, said this type of cooperation outside business groups was "unthinkable" before.

In defiance of conventional wisdom that production in Southeast Asia reduces costs, the gateway factory of Toyota Motor Thailand raised wages an average 16 percent this year, officials said.

The per-unit cost of building automobiles is still high in the eyes of Toyota Motor Thailand, because the joint venture still has to import many auto components from Japan, they said.

Toyota will have to boost the ratio of local parts procurement if it is to bring down prices to within the reach of a greater number of Thai consumers, industry sources said.

Japan: Automakers Expected To Begin Online System

OW2304022096 Tokyo NIHON KEIZAI SHIMBUN 22 Apr 96 Morning Edition p 1

[FBIS Translated Text] Various Japanese automakers, including Toyota Motor Corporation and Nissan Motor Co., will jointly start a network system in May for exchanging designing and development data and also for promoting electronic trade negotiations in connection with validation experiments in the course of developing new cars, thereby reducing by a large margin both the development costs and period. In cooperation with auto parts and computer companies, automakers will set up a parent online body to promote the project and to actually engage in developing experimental cars. Each automaker will make use of the results of the experiments to develop its own new car, thereby trying to enhance the competitive force of Japanese cars in the global auto market, in which competition has intensified.

The parent body for promoting the project will be set on 7 May. It has been informally decided that several other automakers will join in the project in addition to the five major automakers — Toyota, Nissan, Mitsubishi Motors Corporation, Honda Motor Co., and Mazda Motor Corporation. Moreover, it is expected that major auto parts makers, major die companies and several computer makers such as Fujitsu Ltd. and Hitachi, Ltd., will also participate.

The parent body will function as a virtual corporation because all design and development of experimental car will be carried out on the network without regarding for affiliation. Validation experiments will be conducted for a period of two years up to the end of the fiscal year 1997. Among the experiments to be conducted are: (1) design, development and production of experimental cars; (2) establishment of a CALS (Continuous Acquisition and Lifecycle Support) system for the auto industry; and (3) putting into practical use the EDI (electronic data interchange) system in connection with ordering parts for mass production.

Various automakers will each share the work of designing or developing engines or transmissions. An experimental car will be manufactured at a Nissan plant and the developed car will be displayed at motor shows.

International standards will be applied for the specifications of technical data. At the same time, the network will be used for making any changes in designs or testing various problems that may related to crash, strength or noise. In this connection, the period for developing a new car — normally lasting for around three years at present — will be reduced by half, and the development costs can also be reduced by a large margin.

If the system of electronic trade negotiations can be put into practical use, it will be possible for automakers and auto parts makers to exchange data at various bases in the world, thereby reducing production costs. Foreign-affiliated parts companies, including those of the United States that have been forcing Japan to open up its market, can also be invited to join in this system.

North Korea

DPRK Commentary Denounces U.S., ROK 'War Maneuvers'

SK2204110396 Pyongyang Korean Central Broadcasting Network in Korean
1226 GMT 19 Apr 96

[Commentary by Chong Pong-kil: "War Maneuvers for Northward Invasion That Have Reached a Dangerous Phase"]

[FBIS Translated Text] According to the 15 April edition of U.S. military magazine DEFENSE WEEK, the United States has reportedly mapped out an operational plan to attack the artillery positions of the People's Army hidden in underground tunnels near the DMZ by extensively committing B-52 bombers to the Korean peninsula in the event a war breaks out. The operational plan was reportedly revealed at a closed-door hearing of the U.S. Senate Defense Committee, which was held last year.

The U.S. imperialist warmongers' attempt to make a war for northward invasion on the Korean peninsula an established fact and to deal a blow to units of our People's Army by extensively committing the B-52 fighter bombers in any contingency vividly illustrates that the rascals' war maneuvers have reached a dangerous stage.

The present situation in our country is in a high state of tension due to the reckless new war provocation moves by the U.S. bellicose quarters and the South Korean puppets. Continuously babbling about the nonexistent military threat of someone, the U.S. military conservative forces are attempting to commit military adventurism, and the South Korean puppets have turned out as vanguards of their master's maneuvers of a war for northward invasion, running amok in a war frenzy.

On 15 and 16 April alone, the U.S. imperialists and the South Korean puppets staged another round of a joint aerial war exercise for a surprise attack on major targets in the deep areas of the northern half of the Republic and in the sky above Sangdong, Wonju, and Anmyon Islet of South Korea. Involved in the fire game were the South Korean puppet Air Force and more than 1,370 fighter bombers, pursuit-assault planes, assault planes, and reconnaissance planes mobilized from the U.S. 7th Air Force, the U.S. 5th Air Force, and the U.S. Pacific Fleet.

On 15 and 16 April, groups of heavy tanks of the South Korean puppet Army fired about 70 tank shells at random toward the forefront areas from Kumpa-ri, Paju County, running amok in a war frenzy.

In another development, on 15 April, the South Korean puppets mobilized 13 simulated enemy fighter-bombers in the skies over 38 cities, including Seoul, and staged a civil defense exercise by driving out hundreds of thousands of residents, running amok in vilifying us and in confrontation racket.

Due to the war maneuvers of the U.S. imperialists and the South Korean puppets that are worsening with each passing day, the entire South Korea has plunged into an atmosphere of war and the areas near the Military Demarcation Line are in a high state of tension.

The reality proves that the U.S. imperialists and the South Korean puppets have already cocked the launching mechanism for northward invasion and have placed a finger on the trigger, and are frantically maneuvering to make actual gunshots [hyonsirun mijaewa namjoson gwoeroeduri imi pukchim kyokpalgirul tanggyonoko pangasoee songaragul notkoiko mullijog chongsongul ulligi wihaeso parakchoguro chaektonghago itanungosul silchunghaejugo issumnida.]

The fact that the U.S. imperialists have mapped out the operation plan to extensively committing the B-52 strategic fighter-bombers to the Korean peninsula in any contingency all the more highlights the seriousness of their war maneuvers.

Now the question is not whether a war will break out on the Korean peninsula but when it will take place. The operational plan for northward invasion, which was revealed at last year's closed- door hearing, also remains to be seen when it is put into actual practice. This adds up to the seriousness of the current situation.

Even though the U.S. imperialist warmongers are attempting to realize their wild dream for invasion by mobilizing all the modern attack means, including the B-52 strategic bombers, and lethal weapons in any contingency on the Korean peninsula, it is a foolish dream. Our people and the People's Army are fully prepared to smash the rascals' sudden maneuvers for invasion. If the rascals dare touch us rashly, they will have to pay the due price for this.

It is the nature of our people and our People's Army that we answer fire with fire and war with war. We never make empty words and do as we say. The U.S. bellicose quarters should clearly know that there is a limit to our patience and should better act prudently.

DPRK: Report on U.S.-DPRK Missile Talks in Berlin

SK2304054596 Pyongyang KCNA in English 0538 GMT 23 Apr 96

["DPRK-U.S. Negotiations on Missiles" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — Delegations of the Democratic People's Republic of Korea and the United States of America had negotiations on the issue of missiles in Berlin over April 20-21, 1996.

They discussed mainly the nonproliferation of missiles and other issues of common concern in a comprehensive way.

The negotiations will continue.

DPRK: U.S. Urged To Give Up 'New Blockade Policy'

SK2304102496 Pyongyang KCNA in English 1018 GMT 23 Apr 96

["Reactionary Nature of U.S. 'New Blockade Policy'" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — NODONG SINMUN today brands the "new blockade policy" of the United States as something aimed at "blockading" those countries that go against the grain with the U.S., stifling them and establishing a "new world order" in its interest after the end of the Cold War.

The paper says in a by-lined article:

The "new world order" is an order in which the United States lords it over as the only dominator in the world, brings the development of other countries and nations under its control and freely engages in domination, intervention, exploitation and plunder. The "new blockade policy" of the United States is to realise this reactionary idea through a worldwide net of "blockade."

The paper documents the reactionary nature of the "new blockade policy," saying:

The target of U.S. "blockade" was mostly socialist and progressive countries in the past, but today any country that goes against the grain with the U.S. may be targeted.

The United States mounts a "blockade" attack on those big countries that have weak will and are accustomed to kowtowing. As for those big countries that maintain a strong attitude, the U.S. "embraces" them while "blockading" them in a more crafty manner.

The U.S. methods of "blockade" are vicious.

The United States defines economic difficulties, confusion through "reform" and "restructuring," regional disputes, ethnic or religious feud and faster "progress" than the U.S. in other countries as "defect" or "merit." Taking advantage of such situation, the U.S. schemes to control them through a "blockade net."

Another crafty method is "collective economic blockade." The United States frequently works out "resolutions" calling for "economic sanctions" against other countries and puts pressure on the other countries to join.

The most vicious method is "military blockade."

The "economic blockade" and the "military blockade" of the U.S. seek the same purpose. Whether one of them is applied or both of them are applied depends on which country is the target.

The United States applies both "economic and military blockade" against the DPRK. It must not go unnoticed that the U.S. seeks "collective military blockade" against the DPRK.

What the U.S. wants to do is to stifle Korean-style socialism.

With no "blockade policy" can the U.S. frighten the Korean people.

The United States must renounce the anachronistic "new blockade policy."

DPRK: 'Arms Buildup Maneuvers' for ROK Denounced

SK2204141796 Pyongyang Korean Central Broadcasting Network in Korean 0854 GMT 22 April 96

[NODONG SINMUN 22 April commentary: "Warmongers Bent on Arms Buildup"]

[FBIS Translated Text] The South Korean ruling bunch is attempting to bring arms worth $200 million, including missiles for various uses, from the United States. This reportedly includes 45 missiles to be installed on a new-type destroyer and 46 missiles to be launched from warships and submarines. The data have been released by the U.S. Defense Department.

The puppets' anachronistic, antipeace, and antinational maneuvers for arms buildup are causing the concern of the world's peace-loving people.

The world is now following the course of disarmament and the abolition of lethal weapons. The puppets' maneuvers for purchasing weapons run counter to the world trend on this.

South Korea is filled with weapons of mass destruction, including some 1,000 U.S. nuclear weapons. Therefore, the country's peace and the nation's security are under constant threat, and the Korean peninsula has become one of the hot spots of the world.

Nevertheless, the puppets are attempting to again bring enormous new-type weapons from the United States. We cannot look on this with folded arms.

The Kim Yong-sam ring's arms buildup maneuvers are a graver matter because they are timed with its intensifying war maneuvers against us. Very serious is the Kim Yong-sam ring's move in which it trampled down the Armistice Agreement systematically and turned the South side area of the DMZ into a launching base for northward invasion.

The puppets, with the U.S. military circles, deployed forward an enormous scale of armed forces and are continually conducting fire games of war simulating northward invasion. Heads of the government and the military are visiting the front one after another, instigating a war of northward invasion; and the heads of the U.S. military are flying to South Korea one after another to hold war conferences with the puppets. This is a typical scene one can see on the eve of a war. All these moves prove that the Kim Yong-sam ring has decided to wage a real war [modun umjigimun kimyongsam ilttangi silchonul chakchong haettanungosul chungmyonghae chunda].

The most urgent matter for our fellow-countrymen today is peace in the country and the security of the nation. Reflecting this aspiration of the nation, we have been making every effort to prevent war and preserve peace on the Korean peninsula. However, the Kim Yong-sam ring, running counter to the nation's aspiration for peace, is engaged in confrontation and war maneuvers against the DPRK more recklessly, thus more thoroughly revealing that they are war maniacs.

The money the Kim Yong-sam ring pours into arms buildup comes from the people's bloody sweat of toil. The criminal nature of the puppets' arms buildup maneuvers lies in the fact that the Kim Yong- sam ring is fattening the major imperialists' munitions industry complexes at the expense of the people and is attempting to make the nation victim of a nuclear war. This is an unpardonable crime the Kim Yong-sam ring committed against the nation.

The source of misfortune should be removed resolutely. It is natural that the South Korean people should have risen up in the struggle to overthrow the Kim Yong-sam ring, which is useless and will only bring misfortune.

We are watching with vigilance the dangerous act of the bellicose Kim Yong-sam group which, still unsatisfied by turning South Korea into the largest U.S. nuclear weapons arsenal in the Far East, is continuously bringing lethal weapons and thirstily watching for a chance of northward invasion.

The Kim Yong-sam ring should see the reality squarely, act with discretion, and immediately stop the arms buildup and military adventure against us. We call the attention to the fact that if the puppets commit the mistake of ignoring our repeated warning, it will be too late for them to regret.

DPRK: Commentary Denounces ROK Arms Purchase

SK2304034296 Pyongyang KCNA in English 0322 GMT 23 Apr 96

["Reckless Moves of Warmaniacs" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — The South Korean puppets are scheming to purchase another weapons worth 200 million dollars from the United States.

MINJU CHOSON today carries a commentary in this regard.

They are planning to introduce a large quantity of offensive weapons for invasion of the North again into South Korea where many lethal weapons including over 1,000 U.S.-made nukes have already been deployed, the news analyst notes, adding:

This is an intolerable provocative move against the North.

The Kim Yong-sam group's scheme to introduce advanced weapons proves that they are persisting in confrontation with the North, seeking to get on its nerves, and in this way are going to give rise to military conflict and furthermore unleash a war against it at any cost.

Their ceaseless arms buildup and intensified war maneuvering will result in only a war now that the legal and institutional deterrent mechanism for ceasefire has been missing after the destruction of the armistice system.

There is a limit to our patience and endurance.

We will repulse any provocative moves infringing upon our dignity and sovereignty with stronger will and determination for life-and- death fight as the situation becomes more strained and the phase of war comes nearer.

The Kim Yong-sam group must behave with discretion, squarely seeing our will and determination, and immediately stop their reinforcement of armed forces and military adventure against the North.

DPRK: Austria-DPRK Society Holds Annual Meeting in Vienna

SK2204054796 Pyongyang KCNA in English 0502 GMT 22 Apr 96

[FBIS Transcribed Text] Pyongyang, April 22 (KCNA) — An annual meeting of the Society for the Promotion of the Relations Between Austria and the Democratic People's Republic of Korea was held in Vienna on April 11.

It summed up last year's work, elected its leading body and discussed an action plan for this year.

Its chairman Herbert Steiner said in his speech that the United States refused to accept reasonable proposals of the DPRK, introduced huge armed forces into the Demilitarized Zone along the Military Demarcation Line in league with the South Korean authorities and staged large-scale military exercises, thus aggravating the situation on the Korean peninsula and systematically violating the Armistice Agreement.

It is thanks to the sustained peace policy of the DPRK that peace has been preserved on the Korean peninsula for more than 40 years, he added.

He urged all the members of the society to heighten vigilance against the anti-DPRK moves of the United States and its hirelings and extend full solidarity and support to the Korean people in their struggle to ensure peace and security on the Korean peninsula and achieve the independent and peaceful reunification of their country.

DPRK: UN Report Details Human Rights Abuses in ROK

SK1904134096 Pyongyang KCNA in English 0813 GMT 19 Apr 96

[FBIS Transcribed Text] Pyongyang, April 19 (KCNA) — An agenda "detention issue" was discussed at the 52nd meeting of the UN commission on human rights. Reports of the UN special rapporteur on protection of the right to free expression were distributed as official documents of the full-dress meeting. Among them a report related to South Korea was submitted as a separate document as human rights there are wantonly violated from a legal and institutional point of view.

The report exposed in detail the grave encroachment upon the rights to free expression in South Korea.

It said that, particularly, an expression of ideology, religion and view is criminalized, many people are arrested, detained and punished, detainees are forced to convert their ideology and other elementary right to freedom is restrained by the "National Security Law".

It cited that the lawful trade union activities of workers are seriously suppressed, and worse still, they are arrested, detained and penalized for the reason that they participated in labour movement, and the right to freedom of literary and art activities, speech and press activities is violated. It raised a recommendation seriously concerning over this.

Calling for abolishing the "National Security Law", the recommendation stressed that the persecution of the detainees should be stopped and all the detainees, who are arrested for the reason that they exercised the right to free expression, should be released unconditionally.

DPRK: ROK Groups' Representative Decries ROK Human Rights Abuses

SK2204053196 Pyongyang KCNA in English 0507 GMT 22 Apr 96

[FBIS Transcribed Text] Pyongyang, April 22 (KCNA) — A representative of the Council of the South Korean Human Rights Organisations criticized human rights abuses by the Kim Yong-sam regime at the 52nd meeting of the United Nations Commission on Human Rights, according to a report.

Noting that there are prisoners of conscience in South Korea who are under detention for the reason that they refuse to abandon their political faith, he said that it is a direct infringement upon the right to free expression.

Since the "civilian" regime appeared, the government has not taken any practical measure for the abolition of the "National Security Law" and implemented any advice of the United Nations and international organisations, he added.

He deplored that in the current labour relations law of South Korea, the article on "prohibiting involvement of a third party in disputes" denies the right of freedom to express one's will in the labour movement and is used to detain hardcore members of trade unions.

DPRK: Involvement in Japanese Red Army, Fake Currency Denied

SK2304111996 Pyongyang KCNA in English 1058 GMT 23 Apr 96

["Third-rate Campaign Cannot Work" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — The South Korean puppets are these days conducting a frantic anti-DPRK smear campaign in a bid to survive the serious crisis caused by their fascist and treacherous acts and irregularities.

Following the recent arrest of a member of the Japanese "Red Army," they are connecting the DPRK with the Japanese "Red Army" and the socalled "forged currency case" in a far-fetched way and spreading a false rumour that the DPRK is forging foreign currencies.

As we have already clarified, we have nothing to do with the activities of the Japanese "Red Army."

The members of the Japanese "Red Army" have made clear that they do not act on the "orders" of the DPRK.

This notwithstanding, the South Korean puppets and the reactionary media of Japan are trying to connect the "forged currency case" in Southeast Asia with the DPRK in a far-fetched way. This is motivated by a sinister intention to defame the ever-growing international prestige of the DPRK and spoil its image.

The South Korean puppets are making preposterous remarks in an attempt to connect the case with the DPRK.

What is ridiculous is that in a bid to prove their allegation, they are manipulating those who misappropriated or stole money and committed other crimes in the North before defecting to South Korea.

The reactionary media of Japan are joining in the anti-DPRK smear campaign of the puppets.

The rightist media of Japan recently said the DPRK ambassador to Cambodia was recalled probably in connection with the accused member of the Japanese "Red Army."

The sham press that serves as a prostitute for political charlatans will be forsaken by history and the time.

The anti-DPRK plot-breeders must act with discretion, mindful of the saying that curses, like chickens, come home to roost.

DPRK: OECD Urges ROK To Reform 'Oppressive' Labor Laws

SK1904134296 Pyongyang KCNA in English 0809 GMT 19 Apr 96

[FBIS Transcribed Text] Pyongyang, April 19 (KCNA) — A report issued recently by the Organization for Economic Cooperation and Development (OECD) urged the South Korean puppets, who want to join it, to reform the oppressive "labour laws," according to a news report.

MINJU CHOSON today says that no matter how loudly the Kim Yong- sam group may advertise "globalization," they will get nothing but worldwide denunciation and ridicule unless the notorious "National Security Law," "labour laws" and other anti-social laws are abolished.

The daily further says:

South Korea's "labour laws" are designed to exploit the workers without any restriction and trample down their democratic freedom.

This is why the Kim Yong-sam group have made no comment on the OECD report.

They must scrap the anti-social laws before trying to drum up support abroad for their "globalization." Otherwise, they will meet an intensified struggle of the South Korean workers and people and bitterer denunciation from the world community.

DPRK: ROK Students Demand Probe Into Death of No Su-sok

SK2104055896 Pyongyang KCNA in English 0551 GMT 21 Apr 96

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA) — More than 5,000 students under the Seoul District Federation of University Student Councils including those of Seoul National University, Korea and Yonsei Universities of South Korea held a ninth-term inaugural ceremony of the federation and staged a demonstration in Seoul on April 19 in demand of a probe into the truth behind the death of a student No Su-sok, according to a radio report from Seoul.

They bitterly denounced the fascist clique for brutally killing a student of Yonsei University No Su-sok, who participated in a demonstration demanding the traitor Kim Yong-sam open to the public the "presidential election" fund and that the rise of registration fees be checked.

They also condemned the university side for intending to raise the registration fees and demanded the withdrawal of the scheme.

DPRK: Report of ROK Yonsei University Students' Ongoing Sit-In

SK2304040596 Pyongyang KCNA in English 0315 GMT 23 Apr 96

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — Cadres and students of the General Student Council of Yonsei University in South Korea, who started a sit-in on April 19 after occupying the office of its president in protest against the hike of the registration fees, continued their struggle on the 21st, too.

The General Student Council had negotiations with the university president on the hike of the registration fees.

They went over to the protest, angered at the indifferent attitude of the university side toward the death of their fellow student No Su-sok caused by the brutal crackdown by the police.

DPRK: Defector on ROK 'Reverence' for Kim Chong-il

SK2204052496 Pyongyang KCNA in English 0446 GMT 22 Apr 96

[FBIS Transcribed Text] Pyongyang, April 22 (KCNA) — Tak Yong- tae, who has come over to the northern half of Korea from South Korea, was interviewed by KCNA at his quarters some time ago.

He is now living a new life in the North.

He said that what is dominant in the minds of South Korean people is the consciousness that dependence upon outside forces is death and they should depend on their own strength and solve problems by their own efforts.

Pointing out that reverence for the great leader Comrade Kim Chong-il is growing deeper in South Korea, he said:

South Korean people consider the immortal chuche idea as an absolute truth and ardently yearn for the day when they will live under the care of the respected General Kim Chong-il, the most brilliant commander in the world.

When I saw on TV screen General Kim Chong-il inspecting forefront units of the Korean People's Army in the eastern, western and central sectors of the front, I could be more firmly convinced of his greatness.

There are many generals of the army in the South who are friendly with me.

One day, a friend of mine called on me and said as follows:

"Strategies and tactics of General Kim Chong-il, supreme commander of the Korean People's Army, are ones he worked out by further developing the strategies and tactics of President Kim Il- song. The grit and spirit of General Kim Chong-il are invincible ones to determinedly annihilate any formidable army. The South Korean Army is in a miserable condition as cannon fodder in a hopeless fighting."

Tak Yong-tae further said:

"General-level officers of the army complain that strategies they learned from U.S. books do not work on the North and any weapon, even if based on modern technology, is useless in confrontation with the North.

"The North is the greatest in the world and the most powerful country which any formidable enemy dare not provoke and an ideal society for the people which has an inexhaustible strength with which it pushes through manifold hardships and trials with smile."

DPRK: Libyan Secretary Holds Photo Exhibit, News Conference

SK2304040496 Pyongyang KCNA in English 0332 GMT 23 Apr 96

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — Ramadan Muhammad al Laubi, acting secretary of the People's Committee of the People's Bureau of Libya in Korea, arranged a photo exhibition and press conference on Monday on the 10th anniversary of the U.S. air raid on Libya.

Invited to the photo exhibition were the chairman of the C.C. [Central Committee], the General Federation of Trade Unions of Korea, Chu Song-il, who is chairman of the Korea-Libya Friendship Association, officials concerned and foreign diplomatic representatives in Korea.

Speaking at the press conference, the acting secretary explained point by point that the United States damaged the city and killed a number of innocent people in an air raid on Libya in 1986.

The acting secretary also hosted a reception.

DPRK: Foreign Ministry Memorandum on Prejudice of UN Yearbook

SK2304114896 Pyongyang KCNA in English 1037 GMT 23 Apr 96

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — The Foreign Ministry of the Democratic People's Republic of Korea on April 10 issued a memorandum on the U.N. Yearbook (Special Edition) recently edited by the U.N. Secretariat.

In recalling five decades of the activities of the U.N., the yearbook described the "election" staged in South Korea under the U.N. "supervision" in 1948 and the military actions taken by the United Nations against the Democratic People's Republic of Korea (DPRK) in 1950 as the U.N.'s "achievements", the memorandum notes, branding it as a prejudice lacking impartiality and objectivity.

The memorandum, issued to help make straight such prejudice, cites historical data to expose the fact that the U.N. was abused in dividing Korea and for the outbreak of the Korean war.

Led by the United States, the U.N. General Assembly put the "problem of Korean independence" on the agenda at its second session in 1947 and adopted resolution 112 (II) calling for elections under the supervision of the "U.N. Temporary Commission on Korea." On May 10, 1948 after this resolution, a separate "election" was forced in the area South of the 38th parallel to install a pro-U.S. separatist regime.

General elections were held in August that year under the true will of the Korean people with the participation of 85.2 percent of the entire Korean voters (99.97 per cent in the North and 77.52 percent in the South), which resulted in the founding of the DPRK on September 9, 1948. However, the U.S. engineered the adoption of resolution 135 (III) by the U.N. General Assembly at its third session in December the same year, declaring that the "Republic of Korea" had the "jurisdiction" over the area South of the 38th parallel in which the separate election was held.

On June 25, 1950, when the Soviet "veto power" was left in the vacuum, the Security Council met on the item brought all of a sudden by the U.S. and "adopted" Resolution 82 (1950) determining "that the Korean war was caused by the armed attack of North Korean forces." And on July 7, it "adopted" Resolution 84 (1950) making the U.N. members' forces "available to a unified command under the United States," recommending "the United States to designate the commander of such forces", and authorizing "the unified command at its discretion to use the United Nations flag".

The "steps" unjustly taken that way by the then U.N. under the U.S. strong-arm pressure did not help "halt the conflict and restore the peace" but instead brought on the most disastrous all-out war between the U.S. and the DPRK that lasted for three years, and thereafter was followed by the world record of a 43 year-long touch- and-go state of armistice in the absence of any forthcoming assurance for peace.

The U.N. is being abused, even today, for sustaining the Cold War in the Korean peninsula.

The memorandum recalls the Security Council's January 31, 1951 Resolution 90 (1951) on "deleting from the agenda of the council" the item related to the Korean war, the November 18, 1975, Resolution 3390 (XXX) B adopted by the U.N. General Assembly at its 30th session, and the U.N. secretary-general's views on the control over the "U.N. Command". Existing outside the U.N., the "U.N. Command" has become nothing but a bogus instrument that only serves the purpose of camouflaging the real belligerent entity, it adds.

It says:

The commander of the "U.N. Command" is designated by the U.S. Government.

Since 1958, no U.N. members other than the U.S. make any of their Armed Forces available to the "U.N. Command".

Either from the legal point of view or in terms of the responsibility and competence, it becomes clear after all that the real party to the Korean Armistice Agreement is the U.S. Government, the responsibility of which, however, is being covered up by the signboard of the "U.N. Command" and the U.N. flag.

Now, the U.N. begins getting aware of its unsavory past of having been misused in the question of Korea.

There would have been no such peaceful solution as noted with "satisfaction" by the Security Council on November 4, 1994, but a second Korean war must have broken out had the U.N. chosen to repeat its past by unilaterally imposing "sanctions" against the DPRK when some anti-DPRK elements brought on May 11, 1993, to the Security Council the nuclear issue on which tension was mounting between the DPRK and the U.S.

The very fact that only the DPRK-U.S. talks produced such a satisfactory solution to the nuclear issue on the Korean peninsula clearly shows what choice the U.N. should make.

In order to help the U.S. to perform its responsibilities and role in ensuring peace in the Korean peninsula, the U.N. might just as well recommend the dissolution of the "U.N. Command" as it did "recommend" its establishment to the U.S. back in 1950, or at least retrieve its name and flag from being misused by the U.S. doing so would be the right way and a proper deed for the U.N. to contribute to peace in the Korean peninsula.

Having put forward recently another proposal for the conclusion of an interim agreement as part of its consistent efforts toward peace in the Korean peninsula, the DPRK is awaiting the U.S. response thereto.

DPRK Peacekeeping 'Initiative' Hailed Abroad

SK2304105296 Pyongyang KCNA in English 1011 GMT 23 Apr 96

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — The initiative of the Democratic People's Republic of Korea to establish peace-keeping mechanism was supported by different countries through statement.

Friendly political parties in Syria and National Liberation Movement Forces called upon all the peace-loving, progress-loving and freedom-loving forces to condemn the aggressive movements of the South Korean authorities and the U.S. violations of the Armistice Agreement which may bring an unpredictable consequence on the Korean peninsula and to express solidarity with the DPRK efforts to defend the independence of the country and ensure regional stability.

The Swiss Committee for Supporting Korea's Reunification and the Cultural Information Centre on the Democratic People's Republic of Korea, Lausanne, Switzerland, supported the DPRK efforts to replace the Armistice Agreement with a new peace agreement, saying that the agreement has been actually ineffective from long ago due to the machinations of the U.S. imperialists.

The Zairean Youth Group for the Study of the Chuche Idea said that the United States should respond to the constructive proposal of the DPRK without delay, immediately stop its intervention in the internal affairs of Korea and withdraw its Armed Forces from South Korea.

DPRK: Syrian, Japanese Associations Pay Homage to Kim Il-song

SK2104060396 Pyongyang KCNA in English 0552 GMT 21 Apr 96

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA) — A delegation of the Syria Arab-Korea Friendship Association and a delegation of the Council of Young Men's Associations of Japan visited the statue of the great leader President Kim Il-song on Mansu Hill on April 20, laid a floral basket and bouquets before his statue and made bows.

DPRK: Yi Chong-ok, Others Attend Reception on Syrian Independence

SK2004043796 Pyongyang KCNA in English
0428 GMT 20 Apr 96

[FBIS Transcribed Text] Pyongyang, April 20 (KCNA) — Anwar al- Fadel [spelling of name as received], charge d'affaires ad interim of the Syrian Embassy here, gave a reception on April 19 on the occasion of the 50th anniversary of the independence of Syria.

Present on invitation there were Vice-President Yi Chong-ok, Vice-Premier and Foreign Minister Kim Yong-nam and officials concerned.

Foreign diplomatic envoys here and Yi Chong-sang, chief of the Pyongyang mission of the National Democratic Front of South Korea, were invited.

Speaking at the reception, Anwar al-Fadel said that the friendly relations between the two countries have been further strengthened in the past period on the basis of intimacy forged between Comrade Kim Il-song, who is immortal as the great leader, and president Hafiz al-Asad, who is a fighter. "We will strengthen the bilateral relations existing between the Syrian Arab Republic and the Democratic People's Republic of Korea," he stressed.

He was convinced that the reunification of the country, the desire of the Korean nation, will be achieved under the wise and tested leadership of the great Comrade Kim Chong-il, an ever- victorious iron-willed brilliant commander and hero.

He wished completion to the revolutionary cause started by the great leader Comrade Kim Il-song.

Yun Ki-chong, minister of finance and chairperson of the Korea- Syria Friendship Association, said in her speech: We highly praise the Syrian people for successfully building a new society and adhering to independence and extend full support and firm solidarity for their just cause to retake the occupied Arab land including the Golan Heights and comprehensively and fairly solve the Mideast problem on the "land-for-peace principle."

She said, "we will in the future, too, invariably value the friendly and cooperative relations with the Syrian people and make all efforts to continue expanding and developing them, true to the high intention of the great leader Comrade Kim Chong-il."

DPRK: Secretary Hwang Chang-yop Meets Syrian Guests

SK2204101896 Pyongyang KCNA in English
0911 GMT 22 Apr 96

[FBIS Transcribed Text] Pyongyang, April 22 (KCNA) — Hwang Chang-yop, secretary of the C.C. [Central Committee], the Workers' Party of Korea, today met and had a friendly talk with a delegation of the Syria Arab-Korea Friendship Association led by Faisal Kasem [name as received], secretary of the Damascus rural provincial committee of the Arab Socialist Baath Party.

The head of the delegation said on the occasion that the friendship between the two countries was created by the great leader Comrade Kim Il-song and esteemed President Hafiz al-Asad. "We will strive to further consolidate and develop this friendship," he added.

He praised the great achievements the Korean people have made in the building of socialism by displaying the revolutionary spirit of self-reliance.

Expressing great regret over the death of Comrade Kim Il-song, Faisal Kasem paid deepest homage to him.

"We sincerely hope," he said, "the Korean people will reunify the country under the wise and tested leadership of the great Comrade Kim Chong-il."

The head wholeheartedly wished Comrade Kim Chong-il a long life in good health.

DPRK Meeting Held To Mark Anniversary of Syrian Independence

SK2304040796 Pyongyang KCNA in English
0319 GMT 23 Apr 96

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — A meeting was held in North Hwanghae Province on April 22 to mark the 50th anniversary of the independence of Syria.

Present on invitation were Anwar al-Fadel [name as received], charge d'affaires ad interim of the Syrian Embassy in Korea, embassy officials, the visiting delegation of the Syrian Arab-Korea Friendship Association and Syrian students studying in Korea.

On hand were Kim Chin-ok, chairman of the North Hwanghae Provincial Administrative and Economic Committee, officials concerned and working people in the province.

Speeches were exchanged.

A congratulatory letter to the Syrian president was adopted at the meeting.

DPRK: Wonsan, Syria's Latakia Form Sister Relations 21 Apr

SK2304035596 Pyongyang KCNA in English 0317 GMT 23 Apr 96

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — Wonsan of the Democratic People's Republic of Korea and Latakia of the Syrian Arab Republic forged the relations of friendship and sister cities.

An agreement on this was signed in Wonsan on April 21.

Wonsan is a port city of culture on the east coast of Korea.

Present at the signing ceremony were Yi Song-ho, vice-chairman of the Korean Committee for Cultural Relations With Foreign Countries and vice-chairman of the Korea-Syria Friendship Association, officials concerned, and the delegation of the Syrian Arab-Korea Friendship Association headed by Faisal Kasem, secretary of the Damascus rural provincial committee of the Arab Socialist Baath Party.

DPRK: Groups Urge Early Normalization of Japan-DPRK Relations

SK2304040896 Pyongyang KCNA in English 0339 GMT 23 Apr 96

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — Representatives of Japan-DPRK friendship organizations in Saitama Prefecture, Japan, called at the Prime Minister's Office on April 15, urging the normalization of Japan-DPRK diplomatic relations.

They handed in a request for an early normalization of Japan-DPRK diplomatic relations, in the joint name of seven Japan-DPRK friendship organizations in Saitama Prefecture, which was addressed to the Japanese prime minister.

They said it is very strange that Japan has not yet had diplomatic relations with the DPRK. And they held that Japan should make an apology and compensation for its colonial rule in the past, at an early date.

DPRK: Private Organizations Urge Japan To Atone for War Crimes

SK2204052796 Pyongyang KCNA in English 0511 GMT 22 Apr 96

[FBIS Transcribed Text] Pyongyang, April 22 (KCNA) — Delegates of nongovernmental organizations of different countries to the 52nd meeting of the U.N. Commission on Human Rights held in Geneva, staged a demonstration on April 11 urging Japan's atonement for war crimes.

Participating in the demonstration were delegates of the DPRK Measure Committee for Japan's Compensation to "Comfort Women for the Army" and Victims of the Pacific War, the fact-finding group on forcible drafting of Koreans, the Philippine Investigation Committee on "Comfort Women", the Asian Human Rights Council for Women, the International League of Women for Peace and Freedom, the Japanese Bar Association, and of other nongovernmental organizations from Pakistan, Yugoslavia, the United States and Africa.

The demonstrators marched from the U.N. Secretariat building to the Japanese mission, carrying placards reading "Oppose Japan's becoming a permanent member of the U.N. Security Council until it atones for its war crimes", "Japan should pay state compensation with legal responsibility for the war crimes", and "Japan should compensate for military sexual servitude".

They called an extraordinary news conference in front of the Japanese mission and made public a statement over Japan's refusal to accept a protest related to the "comfort women for the army" issue.

The statement denounced the "wartime sexual servitude system" and demanded the withdrawal of "private fund".

It called upon nongovernmental organizations of countries, international organizations and all friends to join in this movement for justice.

DPRK: Hwang Chang-yop Meets Brazilian Political Delegation

SK2104060096 Pyongyang KCNA in English 0549 GMT 21 Apr 96

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA) — Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea [WPK], on Saturday [20 April] met and had a friendly talk with a delegation of the October 8 Revolutionary Movement of Brazil led by a member of its Central Committee, Marcia Campos [spelling of name as received].

The WPK has taken its root deep among the popular masses, the head of the delegation said. Adding:

"The experience of the WPK convinced us of the victory of the revolution.

"Whoever visits Korea will be firmly determined to fight it out for socialism.

"We extend thanks to the WPK for its great contribution to the struggle for socialism.

"The feats performed by the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il for the cause of the people will be recorded forever in the human history."

DPRK: Foreign Parties Support Proposal for Peace Mechanism

SK2104055696 Pyongyang KCNA in English 0545 GMT 21 Apr 96

[Spelling of names as received]

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA) — The great leader Comrade Kim Chong-il received messages of solidarity from foreign party leaders in support of the DPRK Government's proposal for signing a tentative agreement for establishing a new peace mechanism.

The messages came from Rakotovao Andriantiana, president of the Party of the Congress for the Independence of Madagascar; Razafindrabe Andre, secretary general of the Monima Socialist Organisation of Madagascar; Mustafa Murad, chairman of the Liberal Party of Egypt; Ali Houdou, general secretary of the Construction Workers' Party of Benin; Eduardo Mora Valverde, coordinator of the Central Committee of the People's Party of Costa Rica; Leslie Ramsammy, leader of the United Republican Party of Guyana; Peter Persaud, leader of the Amerindian Action Movement of Guyana; and Rupert Roopnarine, co-leader of the Working People's Alliance of Guyana.

The messages expressed full support and firm solidarity for the DPRK's proposal for establishing a new peace mechanism, saying that it is a most realistic and fair and aboveboard proposal to achieve a durable peace on the Korean peninsula, create a favourable circumstance for the peaceful reunification of Korea and, furthermore, ensure peace in Northeast Asia and the world.

They expressed the resolve to actively support all the just proposals of the DPRK for peace and security on the Korean peninsula and the independent and peaceful reunification of Korea in the future, too.

DPRK Economic Delegation Leaves for South Africa

SK2004114596 Pyongyang KCNA in English 0927 GMT 20 Apr 96

[FBIS Transcribed Text] Pyongyang, April 20 (KCNA) — A DPRK delegation led by Kim Tong-myong, vice-chairman of the State External Economic Affairs Commission, left here today to attend the 9th session of the United Nations Conference on Trade and Development and the 8th ministerial meeting of the Group of 77 to be held in South Africa.

DPRK: Malaysian Figures Pay Respects to Kim Il-song

SK2304110296 Pyongyang KCNA in English 1013 GMT 23 Apr 96

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — The deputy speaker of the parliament of Malaysia, high-ranking officials of the United Malay's National Organization (UMNO), the National Labor Organization and the Ministry of Basic Industry and members of corporations visited the DPRK Embassy in Kuala Lumpur, laid floral baskets and bouquets before a portrait of the great leader President Kim Il-song and expressed boundless reverence to him on the occasion of his birth anniversary.

Written on the ribbons of floral baskets were letters "On the occasion of the 84th birth anniversary of the great President Kim Il-song" and "His Excellency President Kim Il-song will be immortal".

DPRK: Former Soviet Defense Minister Praises Kim Chong-il

SK2304103696 Pyongyang KCNA in English 1007 GMT 23 Apr 96

["Supreme Commander Kim Chong-il and Invincible Army" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — NODONG SINMUN April 22 devoted nearly one whole page to a lengthy article titled "Supreme Commander Kim Chong-il and Invincible Army" by Soviet Marshal Dmitri Yazov [name as received], former defence minister of the Soviet Union.

The article deals with the distinguished army leadership art of the great leader Comrade Kim Chong-il.

The author of the article impressively wrote on the basis of what he saw and felt concerning the fact that toward the end of the 20th century when a dramatic change took place in the structure of the Cold War, Comrade Kim Chong-il, the great statesman and recognised supreme commander of the Army, is attracting the attention of the world public with perfect qualities as a famous brilliant commander.

I visited the Democratic People's Republic of Korea on several occasions and had the audience of Comrade Kim Chong-il, during which I was charmed by his greatness, the author of the article said, and continued:

What most deeply impressed me in the audience with Comrade Kim Chong-il was that he is possessed of intense devotion to the cause of peace and his people and of distinguished abilities.

I was deeply moved by his lucid analysis and assessment of the political situation and military strength of our planet, the far- sighted measure to prevent war, his will and determination as the Army commander and all other things he showed me.

He is not only capable of commanding the Armed Forces as a whole but also is well aware of all things from military operations and tactics and combat equipment to arms and services, including special arms.

The world does not know such a great man as Comrade Kim Chong-il, who is versed in literary and military affairs. He has not only perfect traits as political leader but also qualities as a brilliant commander.

Indeed, Comrade Kim Chong-il is the champion of peace and a great brilliant commander who unfolds a new history in relations with states and peoples.

Supreme Commander Kim Chong-il's art of Army leadership is drawing great attention of the world because his view of the Armed Forces is sacred and great.

He champions the soldier-centred theory of assessing the Armed Forces with priority given to soldiers. In other words, the main factor of the victory in war is not weapons but soldiers who participate in it. In a nutshell, the soldiers are the hardcore of the Armed Forces. This is his unique view of Armed Forces.

This new view centred on soldiers will make the soldiers, the hardcore of the Armed Forces and the undertakers of war, play an active and positive role with the idea of self-reliance in defence as their faith. So, they will certainly win in fighting by giving full scope to the might of weapons and radically strengthening the combatabilities.

Humankind practically feels that the Army of Supreme Commander Kim Chong-il, the Army which has grown into a matchlessly powerful army thanks to the new view of the Armed Forces, exists on the planet.

The monolithic idea and the spirit of loving soldiers prevailing in the Korean Army make the whole ranks from the supreme commander to soldiers form a harmonious whole based on one idea. On top of it, they increase the might of the Army a hundredfold and a thousandfold.

Generals, officers, non-commissioned officers and soldiers of the Korean Army look up to their supreme commander as the father of their life and the teacher of their service in the Army, more than a military commander whom they are obliged to serve.

The great example of Korea in fulfilling the cause of Army building and in the building of socialism inspire us with a new strength and courage and convince us of the rebirth of the former Soviet Union, which had upheld the banner of socialism under the protection of a powerful Army.

DPRK: Mexican Party Delegation Arrives in Pyongyang 23 Apr

SK2304115896 Pyongyang KCNA in English 1046 GMT 23 Apr 96

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — A delegation of the Mexican Workers' Party led by Alberto Anaya Gutierrez, member of the Coordination Commission of the National Political Commission of the party, arrived here today.

The delegation was greeted at the airport by Hyon Chun-kuk, director of a department of the Central Committee of the Workers' Party of Korea.

DPRK: New Colombian Ambassador Arrives in Pyongyang 23 Apr

SK2304115496 Pyongyang KCNA in English 1045 GMT 23 Apr 96

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — Alvaro Escalon Villa, newly appointed Colombian Ambassador E.P. [extraordinary and plenipotentiary] accredited to the DPRK, arrived here today.

DPRK: Chongnyon Vice Chairman Departs Pyongyang 23 Apr

SK2304115196 Pyongyang KCNA in English 1044 GMT 23 Apr 96

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — Kim Su-sik, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan [Chongnyon], left here today after visiting the socialist homeland.

He was seen off at the airport by Kim Yong-son and an official concerned.

DPRK: Bangladesh Party Meets DPRK Delegation of Social Scientists

SK2304035096 Pyongyang KCNA in English 0309 GMT 23 Apr 96

[Spelling of names as received]

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — Hasanul Huq Inu, general secretary of the Central Executive Committee of the Bangladesh National Socialist Party, Rashed Khan Menon, general secretary of the Central Committee of the Workers' Party of Bangladesh, and A.F.M. Mahbubul Huq, convenor of the Central Committee of the Socialist Party of

Bangladesh, respectively met the delegation of social scientists of the DPRK on April 15 and 17.

A.F.M. Mahbubul Huq said that the Socialist Party of Bangladesh values the revolutionary unity with the Workers' Party of Korea [WPK] and will firmly support and encourage the just cause of the WPK and the Korean people in whatever ordeals.

Hasanul Huq Inu stressed that though the death of the great leader Comrade Kim Il-song was a big loss for the socialist forces, socialism, led by the dear Comrade Kim Chong-il, will continue its victorious advance.

He expressed full support to the DPRK's self-defensive measures against the military provocations of the U.S. imperialists and the South Korean puppet clique.

Rashed Khan Menon noted that the great idea of the respected Comrade Kim Il-song will illumine the road for the people of the world including the DPRK and Bangladesh forever.

He added that the Workers' Party of Bangladesh will defend the socialist principles in whatever ordeals and always support the just struggle of the WPK and the Korean people.

DPRK: Kim Chong-il Lauded for Visit to Frontline Units

SK2304031896 Pyongyang KCNA in English
0313 GMT 23 Apr 96

["Great Supreme Commander" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], recently inspected KPA units in different sectors of the front.

He visited Height 351, a heroic height in the eastern sector of the front, and an army unit at the post on Mt. Taedok in the western sector of the front, where the slogan "a match for a hundred" was put forward, and inspected Mt. Osong area in the central sector of the front which still bear traces of death-defying war in the 50s.

His inspection of forefront posts inspired all the officers and men of the People's Army with the infinite pride and honour of holding the great brilliant commander in high esteem.

During his inspection, he outlined the militant tasks to intensify combat and political training for strengthening the army into the invincible revolutionary armed forces which are able to defeat any formidable enemy at one stroke.

As he watched the enemy position opposite the defence line of the unit on Mt. Osong, he heard about enemy movements in detail and received a report from the unit commander on the situation.

He noted with deep satisfaction that the commanding officers of the unit had mapped out operations according to the party's chuche war tactics, as intended by the supreme command.

The respected General Kim Chong-il, who infinitely loves army officers and men and always finds himself among them, met soldiers on alert duty and praised them for good performance of their duties.

He shared a simple field meal with soldiers, deepening kindred feelings.

A harmonious whole between the supreme commander and soldiers on the frontline has firmly convinced the people that any enemy dare not encroach on a blade of grass and an inch of this land and that our nation's defence line is impregnable and our socialism is invincible.

DPRK: KPA Foundation Day Defined as National Holiday

SK2304031496 Pyongyang KCNA in English
0302 GMT 23 Apr 96

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — The Central People's Committee of the Democratic People's Republic of Korea today issued a decree on defining the foundation day of the Korean People's Army [KPA] as a national holiday.

The great leader President Kim Il-song founded the Korean People's Revolutionary Army, a chuche-type army, on April 25, 1932.

The decree dated April 23 says that April 25 shall be defined as a national holiday and shall be a day for rest throughout the country every year so that the shining exploits of the heroic Korean People's Army, an invincible revolutionary army of the Workers' Party and people of Korea, may be handed down to posterity.

Flags of the DPRK shall be hoisted at state institutions, enterprises, organisations and houses on this day.

DPRK: CPC Decree Designates KPA Founding Day as Holiday

SK2304041696 Pyongyang Korean Central Broadcasting Network in Korean
0302 GMT 23 Apr 96

[FBIS Translated Text] The DPRK Central People's Committee's [CPC] decree on establishing the founding day of the Korean People's Army [KPA] as a national festive day [kukkajok myongjol]:

April 25, 1996 is a significant day when the great leader Comrade Kim Il-song founded the Korean People's Revolutionary Army [KPRA], a chuche-type revolutionary armed forces. The founding of the KPRA was a historic event which opened a momentous turning point in the accomplishment of our people's revolutionary cause.

With the founding of the KPRA, our people were able to have their genuine revolutionary army for the first time in history and to victoriously wage their struggle for the fatherland's independence and for the people's liberation on a new high stage.

For the long period from the first day of its founding up to today the KPA has outstandingly performed its duty and mission as the defender of the fatherland, as the creator of the people's happiness, and as the core unit of the revolution.

The KPRA, which had declared its birth in the forests of Paektu, upheld Comrade Kim Il-song, the matchless patriot and legendary hero, as the sun of the nation; smashed the brigandish Japanese imperialists with overflowing faith in certain victory while surmounting the unprecedentedly arduous trials; and, thus, brilliantly achieved the historic cause of national liberation.

The KPA, which had been strengthened and developed into a self- defensive revolutionary army by inheriting the KPRA, defeated the imperialist allied forces, led by the U.S. imperialists who claimed to be most powerful in the world, by displaying mass heroism and matchless devotion in the formidable fatherland liberation war — in which the fate of the fatherland hinged — under the leadership of Comrade Kim Il-song, the great military strategist and the ever- victorious iron-willed commander. Thus, the KPA honorably defended the fatherland's liberty and independence and demonstrated to the world the heroic mettle and indomitable image of our people.

By implementing our party's self-defensive military line, the highlight of which is converting the entire Army into a cadre army, modernizing the entire Army, and making the whole country a fortress, the KPA has smashed at every phase the aggression maneuvers by the U.S. imperialists and their stooges and, thus, firmly defended the socialist fatherland. Also, by actively taking part in the construction work for the country's prosperity and development and for our people's happiness the KPA has greatly contributed to building the monumental creators of the era of the Workers Party.

On the glorious road of struggle for the chuche revolutionary cause, the KPA has shown the lofty example of the youth Army which faithfully serves the party, the leader [suryong], the fatherland, and the people, and has developed into a-match-for-a hundred revolutionary armed forces which are firmly equipped in political and ideological terms as well as in military technique.

By accelerating the work of imbuing the entire Army with the chuche idea, the KPA has been strengthened and developed as the ever-victorious mighty armed forces that are capable of defeating any formidable enemy, and the entire Army is overflowing with the revolutionary spirit of absolutely trusting, following, and resolutely defending the party and the leader [suryong].

The KPA, which has always stood at the forefront to defend the party's cause, is honorably fulfilling its noble mission as the army of the party and that of the people which reliably defends the chuche socialist cause.

Irreplaceable blood and sweat shed by the officers and soldiers of the heroic KPA permeate the valuable gains of the revolution and the great creations, and the immortal feats and accomplishments achieved by our revolutionary armed forces before the party, the revolution, the fatherland, and the people will shine forever with the foundation of the fatherland.

In order to hand down the shining exploits of the heroic KPA, invincible revolutionary armed forces of our party and people, through the generations, the DPRK CPC has decided the following:

1. April 25, the historic day in which the heroic KPA was founded, shall be a national festive day.

2. April 25 shall be a holiday throughout the country every year.

3. State institutions, enterprises, organizations, and houses shall hoist the national flag of the DPRK on this day.

[Signed] The DPRK CPC.

[Dated] April 23 1996, Pyongyang.

DPRK: More on KPA Foundation Day Set as National Holiday

SK2304115096 Pyongyang KCNA in English 1023 GMT 23 Apr 96

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — The Central People's Committee of the Democratic People's Republic of Korea today issued a decree on defining the foundation day of the Korean People's Army (KPA) as a national holiday.

April 25, 1932, is a significant day when the great leader President Kim Il-song founded the Korean People's Revolutionary Army (KPRA), a chuche-type army.

The decree says that with the KPRA founded, the Korean people could have their true revolutionary army for the first time in history and victoriously wage the struggle for the independence of the country and the liberation of the people on a new high stage.

The KPA has successfully discharged its mission and duty as a defender of the country, creator of the people's happiness and hardcore unit of the revolution in the protracted period since its foundation, the decree notes.

It continues:

The KPA, which has always defended the cause of the party in the van, is honorably performing its noble mission as the army of the party, the army of the people dependably defending the socialist cause of chuche.

The priceless gains and the great edifices of our revolution are permeated with the precious blood and sweat of the officers and men of the heroic KPA, and the undying feats and exploits performed by our revolutionary Armed Forces for the party and the revolution, the country and the people will shine long in the annals of the country.

The DPRK Central People's Committee decides as follows in order to convey down through generations the brilliant feats of the heroic KPA, the invincible revolutionary Armed Forces of our party and people:

1. April 25, the historic foundation day of the heroic Korean People's Army, shall be defined as a national holiday.

2. April 25 shall be a day for rest throughout the country every year.

3. Flags of the DPRK shall be hoisted at state institutions, enterprises, organisations and houses on this day.

DPRK Daily on 'Great' Reunification Feats of Kim Il-song

SK2004111896 Pyongyang KCNA in English 0907 GMT 20 Apr 96

["President Kim Il-song's Great Achievements Will Shine for All Ages" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 20 (KCNA) — NODONG SINMUN today carries a signed article captioned "Great Feats of President Kim Il-song for National Reunification Will Shine for All Ages".

From the first days of national division by outside forces the Great Leader Comrade Kim Il-song set the reunification of the country as the supreme task of the nation for the accomplishment of the revolutionary cause of chuche and put forward original ideas, theories and outstanding strategic line concerning the reunification question, thus performing undying feats in the national history of reunification movement, the article says, and continues:

The three principles of national reunification, the proposal for founding a Democratic Confederal Republic of Koryo and the 10-point programme of the great unity of the whole nation came into being thanks to his rare intelligence, unremitting thinking and quest; they are solid foundations and valuable wealth for national reunification.

Ever since the historic joint conference of representatives of political parties and public organisations in North and South Korea was held in April 1948 to achieve unity of the patriotic forces in the North and South and prevent a permanent division, the policy of wide-range negotiations between the North and South has been laid down, the July 4 North-South joint statement published, the well- known five-point policy of national reunification made public, which dealt a telling blow at the "two Koreas" policy of the separatists, and the basic agreement and joint declaration on denuclearisation between the North and South adopted at the high- level talks between them and taken into effect; his outstanding and seasoned guidance over our nation's reunification movement is replete with his great achievements. He put forward correct policies and proposals for reunification and encouraged the fellow countrymen to a struggle for their materialisation.

He also performed another feat which will shine long in the history of our nation's reunification movement in that he regarded it as the maxim of life to achieve national unity, united all the fellow countrymen under the banner of national reunification with the benevolent politics of the greatest love, all-embracing politics, and built a powerful driving force of national reunification.

The most precious and distinguished of his exploits in the history of our nation's reunification movement is that with insight into the great importance of the question of carrying forward the leadership, that is, the question of inheritance of the leader's cause, in the accomplishing the cause of national independence, which should be carried forward generation after generation, he brilliantly solved it in conformity with the desire of the fellow countrymen and the requirements of the times.

His guidance over our nation's reunification movement is creditably carried forward by the respected Comrade Kim Chong-il.

DPRK: Chongnyon Officials, Students Visit Kim Il-song Statue

SK2304040396 Pyongyang KCNA in English 0323 GMT 23 Apr 96

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — A delegation of officials of the General Association of Korean Residents in Japan (Chongnyon), a home-visiting group of students of Korean University under Chongnyon and home-visiting groups of Korean students in Japan laid floral baskets and bouquets before the statue of the great leader President Kim Il-song on Mansu Hill and paid homage to him on Monday.

DPRK: Retrospect of Kim Il-song's Career Made at 21 Apr Meeting

SK2304112596 Pyongyang KCNA in English 1043 GMT 23 Apr 96

[All Egyptian names are as received]

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — A meeting for retrospecting the great career of the respected leader President Kim Il-song took place in Pyongyang on April 21.

Present on the occasion were the members of the delegation of the General Trade Union for Building and Wood Industries Workers of Egypt headed by its First Vice-Chairman Abdel Aziz Abdel Hamidmi Mahmud, Yi Chin-su, vice-chairman of the Central Committee of the General Federation of Trade Unions of Korea, and officials concerned.

The first vice-chairman of the General Trade Union for Building and Wood Industries Workers of Egypt said that President Kim Il-song is the greatest man who performed undying exploits for the history of the revolutionary struggle of the working class and for the human history of liberation struggle by setting worldwide examples in the revolution and construction.

The immortal revolutionary exploits he performed for the times and humankind will be handed down through centuries, the speaker said, adding:

The respected Comrade Kim Il-song will be alive in the hearts of all people forever.

General Secretary of the General Trade Union for Building and Wood Industries Workers of Egypt Yehia Eman said that the spring holiday of April when Comrade Kim Il-song was born is a holiday common to humankind.

The Korean people, who had their great leader in the person of Comrade Kim Il-song unanimously praised by all people, are the most proud and happiest one in the world, the speaker stressed.

"Through the Korea visit," he added, "I was struck with admiration for the greatness of Comrade Kim Il-song and for the heroism of the Korean people."

The respected leader Comrade Kim Il-song was a great revolutionary who devoted his whole life to the sacred cause for the revolution and the people, he emphasized.

He wished the Korean people bigger success in the future work under the wise guidance of the great leader Comrade Kim Chong-il.

DPRK: Chongnyon Standing Committee Sends Message to Kim Chong-il

SK2104060896 Pyongyang KCNA in English 0600 GMT 21 Apr 96

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA) — The great leader Marshal Kim Chong-il received a message of thanks on April 19 from the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) for sending educational aid fund and stipends for the democratic and national education of Chongnyon on the occasion of the birthday of the great leader Generalissimo Kim Il-song.

The movement of Koreans in Japan could be developed onto a new higher stage thanks to the wise leadership and warm loving care of marshal Kim Chong-il, the message said.

It laid emphasis on steadfastly establishing the system of applying the idea and leadership of Marshal Kim Chong-il within the organisation and firmly building up Chongnyon into a patriotic unit conducive to the revolutionary cause of chuche despite any whirlwind.

"We will make a tangible contribution to the prosperity and development of the socialist homeland and the nation's cause for the independent reunification of the country, keeping the faith that we are sure to win as long as we are led by you, the respected marshal, under any complicated circumstances," the message said.

It prayed for the immortality of Generalissimo Kim Il-song and wholeheartedly wished Marshal Kim Chong-il a long life in good health.

DPRK: 19 Apr Meeting in Pyongyang To Send Off KPA Recruits

SK2004094796 Pyongyang KCNA in English 0914 GMT 20 Apr 96

[FBIS Transcribed Text] Pyongyang, April 20 (KCNA) — A meeting of students and schoolchildren in Pyongyang was held on April 19 to send off recruits who joined the Korean People's Army [KPA].

Present there were leading officials of the party and power bodies, economic and administrative organs in Pyongyang, anti- Japanese revolutionary veterans, war veterans, youth league officials, principals and teachers of senior middle schools, students and schoolchildren and their parents.

Pak In-kun, secretary of the Pyongyang Municipal Party Committee, in his farewell address warmly congratulated in the name of the entire Pyongyang citizens the recruits who will leave for sacred posts for defending the country with readiness to become bombs and rifles defending the respected Supreme Commander General Kim Chong- il with their lives.

Noting that the heroic KPA is an army of the Great Leader President Kim Il-song and an army of the respected general, he said that the recruits should serve in the army well as heroic soldiers in the 90s and prepare themselves to become a match for a hundred enemies.

Then, followed congratulatory addresses.

The participants warmly sent off the recruits leaving for their units.

DPRK: Pyongyang Declaration Stresses Victory of Socialism

SK1904134596 Pyongyang KCNA in English 0800 GMT 19 Apr 96

[FBIS Transcribed Text] Pyongyang, April 19 (KCNA) — The Pyongyang declaration "Let Us Defend and Advance the Cause of Socialism" is evoking great repercussions upon the world public for it is a historic declaration which confirms the justness of the socialist cause and inevitability of its victory and calls for unity of the international communist movement.

70 political parties of the world signed the declaration at the time of its publication (April 20, 1992). The declaration has been signed by 228 political parties up to now.

The Bulgarian paper TRIBUNA said that the revolutionary parties and people of the world expressed warm sympathy with the declaration, describing it as "a great communist manifesto heralding the rebuilding of the socialist movement and the international communist movement, a historic programme proclaiming the rebuilding of the socialist movement and a new upswing of the socialist cause based on the chuche idea, a worldwide event giving confidence in the victory of socialism and a powerful weapon against the anti- socialist moves of the imperialists".

The Communist Party of Peru (Red Motherland), the Revolutionary Socialist Party of Peru, the Peruvian Nationalist Movement of Labour, the Peruvian Front for National Liberation, the Left Revolutionary Union of Peru and the People's Front of Workers, Peasants and Students of Peru in a joint statement said that the Pyongyang declaration confirmed the justness of the socialist cause and the inevitability of its final victory and thus gave the conviction of victory to the world progressive political parties and people aspiring after independence and socialism and dealt a blow at the imperialists and the socialist renegades.

Oleg Shenin, chairman of the Council of the Union of Communist Parties-the Communist Party of the Soviet Union, in a statement said that the ever increasing number of political parties of different countries which signed the Pyongyang declaration is powerfully demonstrating that socialism is an invincible idea and the road of justice.

He stressed that as Comrade Kim Chong-il published his work "Socialism Is a Science", the justness and conviction of the socialist idea and practice have become more solid and the progressive humankind have got one more powerful weapon of struggle.

DPRK: NODONG SINMUN Marks Anniversary of Declaration on Socialism

SK2004042296 Pyongyang KCNA in English 0414 GMT 20 Apr 96

["Programme of Joint Struggle" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 20 (KCNA) — Today marks the fourth anniversary of the publication of the historic Pyongyang declaration "Let Us Defend and Advance the Cause of Socialism".

The declaration was adopted on April 20, 1992, by the delegates of Communist Parties, Workers' Parties and other political parties of many countries around the world advocating socialism, who were in Korea to participate in the celebrations of the 80th birthday of the great leader President Kim Il-song, a jubilee common to humankind.

It has been signed by more than two hundred political parties. It was signed by 70 political parties at the time of its publication.

The adoption and publication of the Pyongyang Declaration that mirrors the firm will of the revolutionary peoples of the world to defend and advance the cause of socialism was an epochal event in reviving, strengthening and developing the socialist movement of the world, NODONG SINMUN says in a signed article today.

The article continues:

For its justness and truthfulness the Pyongyang Declaration has an eternal viability and invincibility and shines as an enduring revolutionary banner.

As it confirms, socialism is an ideal of humankind, a society representing the future of humankind and a genuine society for the people.

The road to socialism is an untrodden path and so there may be turns and twists in the road. But they are temporary phenomena. As the attributes of human being cannot change, so human desire for socialism cannot change. Nor can the direction of historic development change at all.

To be sure, the socialist movement of the world is being revived.

Socialism develops and emerges victorious with the conscious struggle of the people.

So that the revolutionary parties and peoples all over the world may accelerate the revival of socialism and its triumphant advance, they must stand true to the revolutionary principle with an independent stand, build a powerful driving force and strengthen and develop the struggle for socialism. And the countries and peoples desirous of independence and socialism against imperialism must answer the counterrevolutionary offensive of the imperialists with the strategy of unity.

DPRK: Increase in Coal Output Noted

SK2304040996 Pyongyang KCNA in English 0335 GMT 23 Apr 96

[FBIS Transcribed Text] Pyongyang, April 23 (KCNA) — The coal mines across Korea are greeting the Day of Colliers (April 24) with achievements in coal production.

As of April 20, the Anju area coal complex, a leading coal producer in Korea, increased coal output 10 percent as against the same period of the previous month.

The Chongnam, Yongnim and Ipsok coal mines under the complex secured more promising coal fields and carried out their daily quotas at 120 percent.

The Tukjang area coal complex is also markedly increasing coal production as against the previous month.

Particularly, the Myonghak coal mine under the complex produced several thousand more tons of coal than the like period of the previous month as of April 20.

The coal output at the Kangso area coal complex and the Chonchon united coal mine is 3 percent and 2 percent higher each than the corresponding period of the previous month.

The coal mines are carrying the cut coal in time in keeping with the increase in coal cutting.

South Korea

ROK: U.S. Increasing Contacts With DPRK

SK2204104296 Seoul MUNHWA ILBO in Korean 22 Apr 96 p 1

[Article by Yi Pyong-son]

[FBIS Translated Text] The United States is increasing contacts with North Korea to achieve the four-party talks and a comprehensive resolution of various pending issues between North Korea and the United States. This may drastically accelerate the development of North Korea-U.S. relations.

It was learned on 22 April that the United States is considering sending State Department officials to North Korea to persuade North Korea to respond to the four-party talks proposal, and to discuss the peace mechanism on the Korean peninsula and a comprehensive resolution of other pending issues between North Korea and the United States.

The ROK Government reportedly held an undeclared reunification and security policy meeting on 20 April to check the reaction of the parties concerned to the four-party talks and to discuss measures to deal with the drastically increasing contacts between the United States and North Korea.

The United States had promised to negotiate with North Korea only on working-level bilateral matters, such as the missile issue and the returning of the U.S. soldiers' remains, but it recently went over the limit. The ROK Government is making preparations for the possibility that United States starts a comprehensive negotiation with North Korea.

A well-informed diplomatic source said on 22 April: "It is likely that Robert Carlin, deputy section chief in the Intelligence and Research Bureau of the State Department who visited North Korea from 27 February to 5 March to discuss the peace mechanism on the Korean peninsula, will visit North Korea again. Carlin is presently attending the Berlin missile talks and will visit North Korea this week."

The source added: "The reason the United States plans to send Carlin to North Korea is because he had in-depth discussions with North Korean officials on the peace mechanism on the Korean peninsula during his last visit to North Korea."

In connection with North Korea's demand for a peace mechanism on the Korean peninsula, the United States is likely to stress that the four-party talks are the last option, and that North Korea should accept the proposal for the development of North Korea-U.S. relations. Diplomatic sources believe that the United States is considering upgrading the current separate talks on missiles and remains to a comprehensive political negotiation if North Korea accepts the four-party talks.

The United States reportedly conveyed the position to North Korea at the North Korea-U.S. missile talks, which ended in Berlin on 21 April. The United States reportedly will stress this policy at the negotiations on the return of remains to be held in New York around 27 April.

The United States is also sounding out North Korea's reaction through Kim Chong-u, vice chairman of the North Korean External Economic Committee, who is attending a seminar on North-South economic cooperation that began in Washington on 21 April.

ROK: DPRK, U.S. Hold 'Secret Contact' on Four-Party Talks

SK2304033396 Seoul TONG-A ILBO in Korean 23 Apr 96 p 1

[FBIS Translated Text] It was learned on 22 April that a secret contact was recently held between North Korea and the United States in New York in relation to the four-party talks. It was the first contact since the ROK and the United States proposed holding the four-party talks.

Han Song-yol, counselor at the North Korean Mission to the United Nations, and Richard Christenson, deputy officer of the Korea desk at the State Department, participated in the secret contact.

The secret contact followed Counselor Han's phone call to David Brown, Korea desk officer at the State Department, on 18 April. In the phone call, the counselor expressed the intention to meet State Department officials to ask about the background behind the proposal and the details of the proposal.

North Korea's proposal for the contact was made at the same time that a spokesman for the North Korean Foreign Ministry disclosed on 18 April that North Korea is "examining the proposal." Because of its timing, people are paying attention to North Korea's expression of a tangible interest in the four-party talks.

A government official commented: "The secret contact in New York seems to be aimed at digging deep into U.S. intentions" adding that "chances are high that North Korea has unveiled its basic stance on the four-party talks during the contact prior to the announcement of its official stance on this matter."

The official continued: "However, the recent secret contact cannot be seen as a preliminary contact for the four-party talks," adding "the government has already notified the United States of our position that a preliminary contact for four-party talks must be held between the North and South, not between North Korea and the United States."

The official continued: "Since North Korea and the United States have a dialogue channel with the North Korean mission to the United Nations, North Korea may announce its official stance through this New York channel."

Deputy Officer Christenson is fluent in Korean and is an expert in Korean affairs. He has been unofficially designated as the next counselor [as published] to the U.S. Embassy in the ROK.

ROK Not To Allow DPRK To Contact U.S. Alone on 4-Way Talks

SK2304074596 Seoul YONHAP in English 0735 GMT 23 Apr 96

[FBIS Transcribed Text] Seoul, April 23 (YONHAP) — South Korea will not sit idly by while North Korea tries to establish direct contact with the United States to proceed with the proposal for quadrilateral peace talks made by Seoul and Washington last week, a Foreign Ministry official said Tuesday.

"As U.S. President Bill Clinton said last week on Cheju Island, there will be no channel solely for contacts between Washington and Pyongyang on the proposed four-way talks," said Director Kim Suk of the Foreign Ministry's North America Division I.

He was confirming reports that working-level officials from North Korea and the United States met in New York last Friday on the four-nation meeting for the first time since the meeting was proposed last Tuesday.

"Minister-counsellor Han Song-yol of North Korea's permanent representative office in New York met with Richard Christensen, deputy director of the office of Korea at the U.S. State Department, in New York last Friday to be briefed on Washington's proposal of the four-country peace talks," Kim said.

The official, however, dismissed concerns that South Korea may be excluded from talks to prepare for the proposed quadripartite meeting between South and Korea, the United States and China.

"The Han-Christensen meeting was just a session in which the U.S. side explained its intentions of proposing the four-way talks and the meeting did not address issues on when and how to open the four- way talks," he said.

The official stressed that South Korea and the United States had close consultations prior to the Han-Christensen meeting.

The contact channel has been a routine one between North Korea and the United States since the North Korean nuclear issue surfaced in 1994.

Jeffrey Goldstein, who is in charge of North Korea at the office of Korea, has usually been Han's counterpart but Christensen filled in for him "because Goldstein is in Berlin at the moment for missile talks with North Korean officials," according to kim.

Apparently keeping in mind that North Korea has yet to respond to the proposal for four-way peace talks, the official said that "We will not allow the situation proceed in a direction that would allow North Korea to use the New York channel for consulting with the United States about the four-way talks."

Kim said that his ministry will work closely with the U.S. State Department so that the North cannot exploit the New York channel to exclude South Korea from the preparatory talks for the four-way meeting.

On reports that Robert Carlin of the State Department's Intelligence and Research Bureau recently visited Pyongyang to consult with North Korean officials about the four-way talks, the official said, "As far as I know, there's no U.S. official now in Pyongyang to prepare for the four-way talks and I know of no immediate plans by the United States to send its officials to North Korea to discuss the issue."

Carlin visited Pyongyang last February for an academic seminar in his capacity as a private citizen having nothing to do with the U.S. Government, according to Kim.

ROK: Kim Chong-u Said To Have 'Unofficial Contact' With U.S.

SK2304072696 Seoul YONHAP in English 0718 GMT 23 Apr 96

[FBIS Transcribed Text] Washington, April 22 (YONHAP) — The vice chairman of North Korea's external economy commission, Kim Chong-u, will have unofficial contact with the U.S. State Department around Wednesday, a U.S. official said Monday.

Kim is currently attending a seminar on economic cooperation in the Korean peninsula sponsored by George Washington University, the source added.

The seminar has been held alternately in Pyongyang and Washington annually, according to the university's East Asia Research Institute.

ROK: U.S. Said 'Divided' Over Giving Economic Aid to DPRK

SK2304084096 Seoul MUNHWA ILBO in Korean 23 Apr 96 p 1

[Report by Yi Yong-sik and Yi Byong-chun]

[FBIS Translated Text] It was learned on 23 April that the U.S. Government has been calling on the ROK Government to unveil its plan regarding economic assistance to the DPRK. In addition, the United States has been reportedly reviewing additional lifting of economic sanctions against and the provision of economic aid to North Korea on its own.

In connection with this, the government has conveyed its clear stance that the ROK and the United States should not provide any type of assistance until North Korea explicitly shows its reaction to the proposal for four-party talks.

Accordingly, the ROK and the United States has been reportedly divided over the issue of "rendering economic support first," which is aimed at encouraging North Korea to come to the four-party talks.

In this regard, Yu Chong-ha, Chongwadae [presidential offices] secretary for foreign and national security affairs, reportedly held an unofficial meeting with U.S. Ambassador James Laney on 22 April to coordinate bilateral views on the speed of improvement of U.S.-DPRK relations.

A high-ranking government official said on 23 April: "The United States hopes to strengthen the position of North Korean officials who prefer opening-up and to explicitly show to the North side that the four-party talks will eventually contribute to ensuring security and economic development in North Korea." He added that "for this, the United States has called on the ROK Government to promise large- scale economic aid or, at least, announce its plan on giving support to North Korea after the four-party talks."

The official continued: "The two sides experienced difficulties in reaching agreement on this matter especially because the U.S. Government had persistently demanded that such contents be included in the joint announcement of the Cheju summit meeting until the last moment." He added that "however, the ROK Government opposed to this idea in accordance with it stance against "giving assistance first" and, thus, the two sides reached a compromise by expressing that 'a wide range of tension-reducing measures be discussed at the four-party talks.'"

He added: "Everything is now up to North Korea's attitude since the United States and the ROK came to have an understanding that economic aid is included in a wide range of tension-reducing measures."

Another government official said: "In the event the ROK and the United States unveil their plan on providing economic aid, there is a possibility that North Korea may miscalculate that it can have economic assistance through its direct dialogue with the United States." He continued: "Under such circumstances, the focus of the four-party talks may grow dim and things will get complicated as during the nuclear negotiations. For this reason, the government cannot accept the U.S. side's demand at the present stage."

He added: "This will be extensively discussed at an assistant minister-level coordination council meeting to be held next week on Cheju Island among the United States, the ROK, and Japan."

ROK Daily Views New U.S.-Japan Regional Security Agreement

SK2304053696 Seoul THE KOREA TIMES in English 23 Apr 96 p 3

[Report by staff reporter O Yong-chin]

[FBIS Transcribed Text] South Korean military leaders are keeping quiet despite their concern about the prospects of Japan becoming a military power in Asia again following its new regional security agreement with the United States announced last week.

Some Cassandras foretell that the new system is the beginning of a nightmare in which Japan will rise as a military power and dominate Asia in a rerun of World War II.

The system is widely interpreted as the U.S. bringing in Japan as its partner in its efforts to keep Asia peaceful and stable and to resolve crises occurring in the region.

The picture of Japan being a military power sends a collective shiver down the spine of its neighbors, including Korea, which suffered physically and mentally under its colonial rule in the last world war, and some countries have expressed their uneasiness about it.

"Certainly, a militaristic Japan is a threat to Asia as a whole," a senior Defense Ministry planner said. But that gloomy scenario is not likely to happen."

He explained that U.S. will not leave Asia and hand over its erstwhile role of maintaining the balance of power in Asia. He said the security arrangement has the ulterior purpose of keeping an expanding China in check.

"For instance, the U.S. will keep its troop levels at the current 100,000 in Asia while Japan will take up more of the tab needed to maintain them under the new security system," he said.

It is said that the ROK government had expressed its concern about Japan's growing military role before the new security arrangement was announced on quite a few occasions, including in the summit between Presidents Kim Yong-sam and Bill Clinton last week in Cheju-to Island. Each time Korea has been assured that its fears will not materialize, a ministry official said.

Another ministry official was more blunt. "There is no denying that the U.S. needed a regional security partner because of its dire financial situation and the deep-pocketed Japan is most qualified to take the role," he said.

"Under these circumstances, Korea, its freedom restricted due to its heavy defense dependence keeping the communist North at bay, is better off accepting the U.S.-initiated pact," he said. "Besides, Korea needs Japan's support in order to fulfill its Cheju-to proposal to talk directly with North Korea," he said.

Despite the cautious tone of most comments on the issue, some experts are seeking to raise the decibel level of the discussion, arguing that this security pact threatens to open a can of worms.

Their opposition is supported by large sectors of the Korean general public, upset by the still-continuing effects of the Japanese occupation of the country, symbolized perhaps by the protest rally by former "comfort girls" or sex slaves to Japanese imperial soldiers every Wednesday in front of the Japanese Embassy in Seoul.

Song Yong-son, a leading expert on the post-World War II Japan, sees that the U.S. has deputized part of its role as policeman in the region to Japan and this could lead to Japan becoming a military power in its own right.

"Basically, I don't object to the new U.S.-Japan security pact due to the lack of alternatives," she said. "But the problem lies in the momentum generated by developments that started with Japan's participation in the UN peacekeeping operations and will continue with the unshackling of devices put in place to prevent it from becoming a military power."

"I see Japan becoming free of guilt for being responsible for starting a genocidal world war and building up militarily," she predicted. "It often proves to be too late to do anything when you find that something has already gone wrong."

The idea that Japan will build up its military is scary since its present military capabilities, excluding manpower, already qualify it as the world's No.2 following the United States according to some analysts.

As for Korea, it is a fact that some military experts had to make peace with the possibility that Japan's mighty naval armada could have wiped out Korea's navy at the peak of the dispute over Korea's easternmost island of Tokto earlier this year.

Japan's present level of military might have been attained with the annual investment of nearly 48 billion dollars, about three times South Korea's military budget.

ROK: Japanese Group: U.S. Asks Japan To Fund KEDO $17 Million

SK2304090396 Seoul YONHAP in English 0856 GMT 23 Apr 96

[FBIS Transcribed Text] Seoul, April 23 (YONHAP) — The United States has recently asked Japan to contribute 17 million U.S. dollars in financial support to the Korean Peninsula Energy Development Organization (KEDO), members of a visiting delegation of the Japanese ruling coalition said Tuesday.

Delegates told Kim Su-han, chairman of the Korea-Japan Friendship Association, that the coalition was asked for such aid by U.S. Ambassador to Japan Walter Mondale, according to Choe Chol- min, secretary general of the Korea-Japan Parliamentarians' Union.

KEDO is an international consortium set up to carry out the light-water reactor project in North Korea.

The delegation is led by Taku Yamasaki, chairman of the Policy Affairs Research Council of Japan's Liberal Democratic Party.

A delegate was quoted as saying to Kim, "Certain quarters the Japanese Diet are arguing that Japan, bearing too heavy of a burden for the light-water reactor project for North Korea, should now link such financial support to the normalization of Japan-North Korea diplomatic relations."

Chairman Kim, explaining to the delegation the intent of the "four-party meeting" proposed by the presidents of South Korea and the United States, stressed that progress in Tokyo-Pyongyang relations be made in a way conducive to the improvement of both inter-Korean dialogue and relations.

Meanwhile, Rep. Kim Yoon-whan, the Korean president of the Korea-Japan Parliamentarians' Union, is to hosted a dinner for the Japanese delegation Tuesday.

ROK: Seoul Mayor To Attend Various Functions in United States

SK2004034596 Seoul YONHAP in English 0154 GMT 20 Apr 96

[FBIS Transcribed Text] Seoul, April 20 (YONHAP) — Seoul Mayor Cho Sun will depart for Los Angeles Saturday afternoon to attend the opening ceremony of a Seoul Liaison Office there Tuesday [23 April].

The office is being opened in light of the fact that 40 percent of all South Korean-U.S. trade is done through Los Angeles, and the new center will assist working operations of small and medium-sized Korean firms.

After the ceremony, Cho will travel to San Francisco to commemorate the 20th anniversary of the establishment of sister ties between the two cities and to discuss ways of strengthening them.

Cho, a former economics professor, will also give the public lecture "Economic Policies of Northeast Asian Nations Toward the 21st Century" at the university of California at Berkeley, where he had previously studied.

ROK: Daewoo Establishes Technology Research Institute in U.S.

SK2304010596 (Internet) The Chungang Ilbo WWW in English 23 Apr 96

[FBIS Transcribed Text] Daewoo Electronics announced on the 22nd that the company has established an advanced technology research institute which will undertake the development of non-memory semiconductors and multimedia as well as information and communications related products in the United States.

Daewoo plans to invest 30 million dollars over the next five years in the American institute and develop non-memory chips, digital TV, satellite receivers, high-definition TV as well as the software and hardware for multimedia applications in joint efforts with its central research institute in Korea.

Daewoo Electronics plans to hire about 100 researchers including 60 local researchers by next year in order to enhance the development capabilities of the American institute.

ROK: Kim Yong-sam Considering Whether To Attend Atlanta Olympics

SK2304081396 Seoul YONHAP in English 0725 GMT 23 Apr 96

[FBIS Transcribed Text] Seoul, April 23 (YONHAP) — President Kim Yong-sam is mulling whether to attend the latter phase of the upcoming Summer Olympics in Atlanta.

The chief executive received an invitation from International Olympic Committee (IOC) President Juan Antonio Samaranch Tuesday to observe major final games of the Atlanta Olympics and attend the closing ceremony, Presidential spokesman Yun Yo-chun disclosed.

Samaranch, now in Seoul to participate in the Sixth World Sports for All Congress, extended the invitation during a Chongwadae [presidential offices] luncheon that Kim hosted in his honor.

"Although it is contingent on domestic developments, chances are that President Kim will accept the invitation and visit Atlanta during the closing period of the Olympics," a Chongwadae official said, adding that should Kim go, it would be for about a week beginning in late July.

"While staying in Atlanta, President Kim might be able to hold bilateral and multilateral summit talks with foreign heads of state visiting there, including U.S. President Bill Clinton," the source opined.

At the luncheon, Kim, meanwhile, expressed hope that the ongoing international sports forum would provide a "momentum for fostering a healthy and friendly world community through the spread of sports played in everyday life."

Attending the IOC-sponsored event, under the theme of "global family and sport in the 21st century," are approximately 260 sports officials from more than 100 countries.

ROK: Government To Next Advocate 'Korean-Type Peace Agreement'

SK2304010496 (Internet) The Digital Choson Ilbo WWW in English 1222 GMT 22 Apr 96

[FBIS Transcribed Text] The government disclosed Monday, that it is planning to start work on a "Korean-type Peace Agreement" with North Korea once the four-party talks are implemented. The treaty is based on an agreement reached by the North and South in 1992. The issues at hand are: to build up confidence and credibility on both sides with regards to the military, and to increase traffic and cooperation between the two countries. The treaty will be officially monitored and guaranteed by an organization comprised of U.S. and Chinese officials. Japan, Russia, and the United Nations will also be included as guarantors if necessary.

According to a government official, one of the basic goals of the four-party talks is to invite North Korea to take part in multi- national talks. It is hoped that talks between North and South Korea will allow for a decrease in military tension, and will build up general confidence between the two countries. Should the U.S. and China give their support to the Korea-type treaty, North Korea will have no other choice but to accept the proposed framework.

ROK: Japan Tries To Seek Transparency in DPRK Policy

SK2304080696 Seoul YONHAP in English 0754 GMT 23 Apr 96

[FBIS Transcribed Text] Seoul, April 23 (YONHAP) — The Japanese ruling coalition delegation said Tuesday that the Japanese Government will be the only point of contact for North Korea when dealing with issues concerning preparations to normalize talks and the provision of rice aid to North Korea.

"That is to enhance transparency of Japan's North Korean policy, "a Foreign Ministry official quoted the delegation headed by Taku Yamazaki of the largest coalition party Liberal Democratic Party [LDP] as saying.

Yamazaki, chairman of the LDP's Policy Affairs Research Council, and other Japanese lawmakers were apparently referring to concerns in South Korea about the ruling coalition's visit to North Korea last year in preparation for the resumption of normalization talks between Pyongyang and Tokyo.

The Japanese lawmakers agreed to South Korean Foreign Minister Kong No-myong's view that peace and stability cannot be maintained on the Korean peninsula unless Pyongyang engages in direct inter- Korean talks and that Japan will have to maintain close contact with South Korea when proceeding with its North Korea policy, according to the official who attended the luncheon hosted by Kong at his official residence in Hannam-dong, central Seoul, for the Japanese delegation.

On the issue of additional rice aid to flood-stricken North Korea, the Japanese delegation was quoted as saying that it had learned a lesson from South Korea's experience when it sent 150,000 tons and their own experience sending 500,000 tons of emergency rice aid to the North Korea last year and received no sign of appreciation.

Kong and the Japanese lawmakers also exchanged views on the upcoming bilateral fishery talks slated for early may when the two sides will begin talks to come up with a new fishing agreement for Northeast Asia that is compatible with the United Nations convention on the Law of the Sea which guarantees a 200-nautical-mile exclusive economic zone.

The Japanese lawmakers also brought a personal letter from Japanese Prime Minister Ryutaro Hashimoto which expressed thanks to President Kim Yong-sam for accepting the Japanese delegation, the official said.

The official, who did not want to be identified, however, did not elaborate on the contents of Hashimoto's letter.

Yamazaki and his colleagues planned to visit Seoul last February but the plan was cancelled when President Kim Yong-sam refused to accept the delegation amid negative public sentiment in South Korea regarding remarks made by Japanese officials, including Hashimoto, that Tok-do, the most eastern islets in South Korea belong to Japan.

Asked on reports that a summit meeting between South Korea and Japan will be held in May, the official said, "there's no possibility of such a summit."

ROK Ministry Analyzes DPRK's Move Making Army Day Holiday

SK2304114996 Seoul YONHAP in English 1103 GMT 23 Apr 96

[FBIS Transcribed Text] Seoul, April 23 (YONHAP) — North Korea has made the founding day of the People's Army, April 25, a public holiday, according to the National Unification Ministry.

The Armed Forces Day was made the tenth public holiday of North Korea in a decree of the Central People's Committee Tuesday.

"The measure reflects the fact that North Korea is trying to stride over its political and economic difficulties on the strength of the Armed Forces," a ministry official said.

He said it also appears designed to play up Kim Chong-il's interest in the People's Army, thereby trying to uplift the military's loyalty to the Kim Chong-il system.

Initially the founding day of the People's Army was Feb. 8, 1948. But, it was changed in 1978 into April 25, 1932, the day when Kim Il-song allegedly founded his anti-Japan guerrilla unit.

Nine other public holidays of North Korea are New Year's Day: Kim Chong-il's birthday, Feb. 16: International Women's Day, March 8: Kim Il-song's birthday, April 15: May Day, May 1: Liberation Day, Aug. 15: Regime's Founding Day, Sept. 9: Workers' Party Founding Day, Oct. 10: and Constitution Day, Dec. 27.

ROK Article Cites Clashes in DMZ in '67, '73

SK2004014096 Seoul THE KOREA HERALD in English 20 Apr 96 p 3

[FBIS Transcribed Text] There were two clashes in the Demilitarized Zone [DMZ] between North and South Korean troops in 1967 and 1973 which almost touched off another war on the Korean Peninsula a magazine has reported.

The MONTHLY CHOSON said in its May edition that a company of armed North Korean soldiers intruded the buffer zone in Kangwon Province on the night of April 12, 1967, when the South Korean 7th Army Division responded by firing artillery shells, killing most of the intruders.

Quoting Min Pyong-ton, a retired Army lieutenant general, the magazine said that the next day South Korean troops found the bodies of four North Korean intruders and seized a machine gun in the area hit by the artillery.

It was the first such clash since 1953 when hostilities of the Korean War ended, said the magazine affiliated with the daily CHOSON ILBO.

On March 7, 1973, North Korean troops from a guard post fired at a platoon of South Korean soldiers, who were returning after repairing signboards within the DMZ, wounding a captain and a sergeant.

South Korea's 3rd Army Division also responded by firing artillery shells, reducing the North Korean guard post to ashes, and rescued the two wounded service members, the magazine said.

After the clash, North Korean leader Kim Il-song ordered all of his soldiers to be on highest alert, but it didn't develop into a war as the United Nations Command in Seoul announced in a statement that the South Korean troops' response was a defensive action to save the lives of their colleagues, the magazine reported.

ROK: DPRK's UN Envoy Departs NY 19 Apr; Replacement Due in May

SK2304013196 Seoul YONHAP in English 0054 GMT 23 Apr 96

[FBIS Transcribed Text] New York, April 22 (YONHAP) — North Korea's new envoy to the United Nations, Kim Hyong-u, is tentatively scheduled to assume his post in May, according to a member of the North's UN delegation Monday.

In a telephone interview with YONHAP News Agency, the source also confirmed that Pyongyang's outgoing UN ambassador, Pak Kil-yon, departed last Friday from John F. Kennedy Airport at 11 PM to Beijing, where he was to fly home to Pyongyang.

The source, however, declined any further comment.

Having served at his post since February 1985, Pak was reportedly scheduled to return home April 15, but stayed longer to support North Korean officials at the follow-up protocol negotiations for the light-water reactor project with the Korean Peninsula Energy Development Organization.

ROK: Kim Chong-u: DPRK Working To Develop Capitalist Market

SK2204234196 Seoul KBS-1 Radio Network in Korean 2200 GMT 22 Apr 96

[FBIS Translated Text] A high-ranking North Korean official said that since it is difficult for North Korea to hold out any longer through the socialist economic system, it is working to develop a capitalist market.

Participating in the South-North Korea economic cooperation meeting hosted by the East Asia Institute of George Washington University in Washington, D.C., Kim Chong-u, vice chairman of the North Korean External Economic Affairs Committee, revealed this in his keynote speech, and stated that the focus of North Korea's economy has shifted to that of a capitalist market.

Vice Chairman Kim Chong-u said that North Korea is exerting efforts to increase production by setting export goals geared toward capitalistic countries. He also said that North Korea is working to the utmost to create favorable conditions in economic relations with capitalist countries.

ROK: Korean Computer Hacker Infiltrates Japanese Networks

SK1904001096 Seoul YONHAP in English 1235 GMT 18 Apr 96

[FBIS Transcribed Text] Seoul, April 18 (YONHAP) — A high-teen hacker was questioned by the police Thursday for breaking into the Japanese Foreign Ministry computer networks where he tried to leave the words "Tokdo is a Korean land" in the ministry's Internet home page.

A police source identified the hacker only as a "Choe," a 19- year-old auto mechanic in Seoul.

Choe, using Internet, entered the Japanese Foreign Ministry computer system on last March 1 by way of the computer networks of a certain university in the United States and then the sub-system of the Nippon Telegraph and Telephone (NTT) in Tokyo.

He also infiltrated into four other computer systems of Japan including that of Kyoto University.

In the country, the young hacker intruded into the new media institute of Seoul National University and no fewer than 86 other computer networks, where he read materials or took away coded files.

Choe told the police he initially sought to leave the message that "Tokdo is a Korean land" in the Japanese Foreign Ministry computer system, but gave it up because he feared it might cause a diplomatic dispute between Korea and Japan, according to the source.

ROK: Japanese Ruling Coalition Party Delegation Arrives

SK2204115996 Seoul YONHAP in English 1144 GMT 22 Apr 96

[FBIS Transcribed Text] Seoul, April 22 (YONHAP) — A Japanese ruling coalition party delegation flew into Seoul Monday afternoon aboard a KAL airliner.

The mission was headed by Taku Yamasaki, chairman of the Policy Affairs Research Council of the Liberal Democratic Party.

While in Seoul, the Japanese visitors are set to pay a courtesy call on President Kim Yong-sam and confer with New Korea Party chairman Kim Yun-hwan and other ruling party leaders on the current situation of Northeast Asia.

They will also have opportunities to talk with Deputy Prime Minister Kwon O-ki, Foreign Minister Kong No-myong and Defense Minister Yi Yang-ho on matters of mutual concern.

The delegation initially planned to visit Seoul last February but it had been put off due to Korea-Japan disputes over the ownership of Tokto isle in the East Sea [Sea of Japan].

ROK: President Notes Need for Friendly Ties Between ROK, Japan

SK2304113096 Seoul YONHAP in English 1059 GMT 23 Apr 96

[FBIS Transcribed Text] Seoul, April 23 (YONHAP) — President Kim Yong-sam on Tuesday emphasized the need of amicable neighborly relations between South Korea and Japan.

"If Japan wishes to play a significant role as a member of the world community, it should first maintain good neighborly relations with its neighbor, South Korea," the president said.

President Kim made the remarks while meeting with a visiting Japanese ruling coalition party delegation headed by Taku Yamazaki, chairman of the Policy Affairs Research Council of the Liberal Democratic Party.

He said the two countries should develop future-oriented good neighborly relations based on a correct perception of history.

Expressing appreciation to Japanese Prime Minister Ryutaro Hashimoto for promptly supporting the four-party talks proposal, the president said friendly relations among South Korea, the United States and Japan are highly important to peace on the Korean peninsula and rest of the Northeast Asia.

Kim also said Japan should try to improve its relations with North Korea by exchanging opinions with "us." In this connection, the president noted that at the last summit with the Japanese premier, Hashimoto pledged to see to it that there would be no headway in Japan-North Korea normalization talks ahead of any progress in inter-Korean relations.

Chairman Yamazaki said his country would try to forge future- oriented relations with South Korea by taking a correct insight into past history and by reflecting on what ought to be reflected.

"South Korea-Japan relations are one of Japan's most important diplomatic relationships," Yamazaki said. "We shall try to help promote peace and stability on the Korean peninsula through a close cooperative system among South Korea, U.S. and Japan."

ROK Envoy to Japan: Preparations Begin for ROK-Japan Summit

SK2304042896 Seoul YONHAP in English 0252 GMT 23 Apr 96

[FBIS Transcribed Text] Tokyo, April 23 (YONHAP) — South Korean Ambasador to Japan Kim Tae-chi indicated Monday that preparations are in full swing for a South Korea-Japan summit meeting by saying that nothing would be amiss if such talks took place, the MAINICHI SHIMBUN reported Tuesday.

The Japanese daily quoted Amb. Kim as making the remarks in an interview after pointing out that President Kim Yong-sam invited Japanese Prime Minister Ryutaro Hashimoto to visit South Korea in a meeting in Bangkok early last month during the first Asia-Europe Meeting (ASEM) conference.

"Seoul-Tokyo relations were strained last year, the 50th anniversary of the end of World War II, due to remarks by Japanese politicians distorting historic facts. But Japan's perception of the past history has changed in a positive way since then," the paper quoted Amb. Kim as saying.

The envoy also reportedly told the daily, "Since the ruling party performed better than expected in the recent general elections, President Kim will be able to strengthen friendly and cooperative ties with Japan with composure."

The ambassador, however, said that neither the timetable nor the venue for the summit talks have been worked out yet, according to the daily.

Kim's remarks appear to indicate that Seoul has taken the initiative for holding summit talks in an effort to improve the strained relations between the two neighboring countries.

ROK: Delegation Says Report of ROK-Japan Summit Untrue

SK2304084296 Seoul YONHAP in English 0835 GMT 23 Apr 96

[FBIS Transcribed Text] Seoul, April 23 (YONHAP) — The report that the South Korean president will meet the Japanese prime minister early next month does not seem to be true, the Japanese ruling coalition delegation reportedly said Tuesday.

The delegation led by Taku Yamasaki, chairman of Liberal Democratic Party's Policy Affairs Research Council, met Kim Su-han, chairman of Korea-Japan Friendship Association, and told him that Japanese Prime Minister Hashimoto does not have any plans to visit foreign countries early next month.

ROK Vice Minister Meets Japanese, Australian Counterparts

SK2304013596 Seoul YONHAP in English 0049 GMT 23 Apr 96

[FBIS Transcribed Text] Bangkok, April 23 (YONHAP) — Vice foreign minister Yi Ki-chu conferred with his Japanese counterpart Okawa and Australian Foreign Minister Alexander Downer separately Monday to discuss the recently proposed four-country talks to reach a permanent peace agreement for the Korean peninsula and ways to improve bilateral cooperation in the international arena.

The discussions took place on the sidelines of the 52d general meeting of the United Nations Economic and Social Committee for Asia and Pacific (ESCAP) now under way here.

The three officials are heading their respective delegations to the ESCAP conference.

During his talks with Yi, downer evaluated the proposal as very constructive and expressed a hope that they will materialize and bear good fruit, a member of the South Korean delegation said.

Japanese Vice Foreign Minister Okawa reiterated his government's support for the four-way talk proposal and pledged close cooperation with Seoul for its realization, according to the official.

Downer also disclosed his government's decision to provide the Korean Peninsula Energy Development Organization (KEDO) with an additional 2 million dollars.

In his keynote speech to the ESCAP conference, meanwhile, Yi stressed the need to push ahead with the construction of a pan-Asia railroad and highway, which has emerged as one of the main regional projects after being initiated by President Kim Yong-sam at the first Asia-Europe meeting held in Bangkok early in March.

Yi and Okawa also reportedly agreed to cooperate with each other to improve ESCAP's efficiency and reform the United Nations.

ROK: Dong Ah Awarded 10-Billion-Dollar Libyan Waterway Project

SK2204070796 Seoul YONHAP in English 0603 GMT 22 Apr 96

[Spelling of place names as received]

[FBIS Transcribed Text] Seoul, April 22 (YONHAP) — Dong Ah Construction Industrial Co. has been awarded a 10-billion-U.S.- dollar contract for the third and fourth stages of Libya's Great Man-Made River Project, the company announced Monday.

The deal was made during Chairman Choe Won-sok's meeting with Libyan Leader Col. Qadhdhafi in Tripoli last Friday, the announcement said.

During the meeting which was also attended by A. Jadalla, head of the Management and Implementation Authority of the Great Man-Made River Project (GMRA), the Libyan leader asked Choe to build branches of the Great Man-Made River, while employing young Libyan workers in the third and fourth stages of the project for on-the-job training.

Qadhdhafi also thanked, on behalf of the Libyan people, the chairman for Dong Ah's Contribution to Libya's "green revolution" by constructing waterways linking the inland wellfields with the coastal area to make it arable.

Dong Ah's contract is of particular interest in that it was the first of its kind Tripoli awarded to a non-socialist nation since the United Nations slapped economic sanctions on the North African Islamic Arabic socialist nation.

The third stage of the 27-billion-dollar five-stage waterway construction project includes three channels — 500 kilometers between Ajdabiya and Tobruk, 325 kilometers between Sarir and Kufra and 180 kilometers between Sirt and Tripoli — and the fourth stage is constructing a channel covering 715 kilometers between Waw Al Kabir and Sirt.

Dong Ah completed the 3.71-billion-dollar first stage construction of two waterways — 955 kilometers between Saris and Sirt and 919 kilometers between Benghazi and Tazerbo — in 1991.

It is now working on the 6.18-billion-dollar second stage, building a 620-kilometer river linking Tripoli with East Jabal Hasounah via northeast Jabal Hasounah, which is scheduled to be completed in 2000.

For Libya's Great Man-made River Project, Dong Ah set up a joint venture with the GMRA, named Dong Ah-Middle East (DAM), after it was awarded the second stage contract in 1990, and DAM will also be responsible for the third and fourth stages of the great waterway project.

ROK: Construction Minister To Tour Malaysia, Singapore, China

SK2304013096 Seoul THE KOREA HERALD in English 23 Apr 96 p 8

[FBIS Transcribed Text] Chu Kyong-sok, minister of construction and transportation, leaves today for a nine-day visit to Malaysia, Singapore and China to meet with infrastructure-related officials, a ministry spokesman said.

Other than promoting Korean contractors' presence in these fast- growing markets, the minister is expected to discuss the GMS (Great Mekong Subregion) and trans-Asia railway projects.

Joint undertaking of mammoth infrastructure projects in third countries will also be discussed the spokesman said.

ROK Trade Minister To Attend World Trade Congress in Singapore

SK2304012996 Seoul THE KOREA HERALD in English 23 Apr 96 p 8

[FBIS Transcribed Text] Minister of Trade, Industry and Energy Pak Chae-yun will leave for Singapore today to attend the World Trade Congress.

About 500 officials related to the World Trade Organization and trade ministers from 20 countries will attend the three-day conference, aimed at setting the agenda for the first ministerial conference of the WTO scheduled for Dec. 9-13 and discussing other multilateral trade issues.

Minister Pak will speak at the meeting about Korea's position on trade regionalism and future direction for multilateral trade system.

Besides the main conference, Pak will meeting with world trade leaders to discuss matters of mutual concerns. Among them are Renato Ruggiero, WTO's director-general, Sir Leon Brittan, vice president of EU Commission, and Jeffrey M. Lang, deputy U.S. trade representative, ministry officials said.

ROK: PRC, ROK Chief Policy Planners To Meet in Seoul 24 Apr

SK2204045496 Seoul YONHAP in English
0441 GMT 22 Apr 96

[FBIS Transcribed Text] Seoul, April 22 (YONHAP) — Chief policy planners from the foreign ministries of South Korea and China will meet in Seoul Wednesday [24 April] to coordinate their positions on security and economic issues concerning Northeast Asia as well as the two countries, Foreign Ministry Spokesman So Tae-won said Monday.

Deputy Foreign Minister Cho Won-il of the Office of Policy Planning will represent Seoul at the talks, the third of its kind. His Chinese counterpart will be Zheng Jinjiong, head of the Department of Policy Planning of the Chinese Foreign Ministry.

The Chinese delegation, which will stay until Saturday, will visit the Korea Development Institute, Pohang Iron and Steel Co., Hyundai Motor Co. and other industrial facilities in the southeastern part of the country.

ROK: Fifth Session of Trial of Chon Tu-hwan Opens

SK2204055496 Seoul YONHAP in English
0512 GMT 22 Apr 96

[FBIS Transcribed Text] Seoul, April 22 (YONHAP) — Prosecutors questioned former President Chon Tu-hwan and then 1st Army Corps Commander Hwang Yong-si at the fifth session of the public trial of the 1979 military mutiny and the 1980 Kwangju massacre that opened at 10 AM [0150 GMT] Monday [22 April] at the Seoul District Court.

The questioning focused on proving that Chon played a leading role in formulating and implementing the alleged power seizure scenario in a series of incidents leading up to the bloody suppression of the pro-democracy civilian uprising in Kwangju.

The incidents included extending martial law rule nationwide May 17, 1979, arresting politicians and dissidents, and establishing the Special Committee for National Security Measures.

The prosecution has earlier confirmed that Chon and Kwon Chung- tal, then intelligence director of the Defense Security Command, formulated and kept until recently "Measures for Settling Political Situations," referred to as the scenario for Chon's seizure of power.

There were 11 co-defendants present at the session Monday including former President No Tae-u, Yu Hak-song, Yi Hak-pong, Cha Kyu-hon, Ho Sam-su and Ho Hwa-pyong, who were previously questioned by the prosecution during the fourth session.

Chong Ho-yong, Chu Yong-pok and Yi Hi-song, who have only been indicted on treason charges, were also present.

ROK: New 'Facts' Uncovered at 5th Session of Chon, Others' Trial

SK2304055596 Seoul YONHAP in English
0315 GMT 23 Apr 96

[FBIS Transcribed Text] Seoul, April 23 (YONHAP) — Following are the facts in issue newly brought to light by prosecutors in fifth session of the public trial of former President Chon Tu-hwan and 15 other defendants on mutiny and treason charges Monday:

K-Operations Plan

Prosecutors submitted a copy of a "K-operations plan" allegedly drawn up by rebel officers following Chon as evidence of a plot to manipulate public opinions under a premeditated coup d'etat scenario.

It was the first time that the existence of the K-operations plan was made public. Chon denied the existence of such a plan, and said that he first heard about the K-operations during the parliamentary hearing in early 1988 investigating the irregularities that were allegedly committed by leaders of the Fifth Republic.

According to the plan, the first phase of K-operations began in March 24, 1980, "to build a stable political power to sustain national development on the basis of a united military force."

But the plan was part of a coup scenario intended to sway public opinion in a direction favorable to the "new military elite" by tightly controlling the mass media, according to the prosecutors.

According to the plan, the mass media team made contact with 94 senior staff members from seven national newspapers, five radio- television companies and two news agencies to separate those in support of the new military elite taking power from those who opposed it. The latter were purged from the mass media in late 1980.

Yi Hui-song at State Council Meeting

Martial Law Commander Gen. Yi Hui-song attended a special State Council meeting held on May 17, 1980, in a building surrounded by armed troops.

Yi was not a member of the State Council, but he, in full military uniform, attended the meeting to create an intimidating atmosphere, prosecutors said.

Martial Law Decree No. 10

The martial law decree No. 10 was made public at 1:00 AM on May 18, 1980, without President Choe Kyu-ha's prior approval.

The decree suspended all political activities, including indoor meetings, subjected all press reports to military censorship and closed universities and colleges, paving the way for the 'new military elite' to dissolve the parliament and arrest political leaders.

Prosecutors quoted Choe Kwang-su, President Choe's chief secretary, as saying President Choe never received a report prior to Decree No. 10, especially the suspension of political activities.

"President Choe often told me that he had no memory of receiving a report on the decree in advance." He was further quoted as saying.

Chon and Press Guidelines

Prosecutors made public "the press control guidelines under the Martial Law Decree No. 10 and the May 17 measures to expand the martial law area."

Kim Ki-chol, who drafted the guidelines, testified that Chon had personally written on the cover of this document "close those violating the guidelines down," according to prosecutors who submitted a copy of the document as evidence.

Chon's Study of May 16 Military Coup

Chon was found to have studied the May 16 military coup in 1961 before he formed the Special Committee for National Security Measures (SCNSM) on May 31 1980.

According to the prosecution, Chon ordered his subordinate Han Yong-won, intelligence section chief of the Defense Security Command, to study and make a report on the 1961 military coup in late October 1979, several days after former President Pak Chong-hui was assassinated.

Chon was then mapping out a plan to establish the SCNSM, which was an emergency national organization similar to the Supreme Council for National Reconstruction (SCNR) formed after the successful coup in 1961. Chon had thought about establishing a special committee in late April by taking advantage of the massive student demonstrations that would probably take place in observance of the April 19 student revolution in 1960. The commemorative event, however, passed without much turmoil and Chon was forced to wait to convene the special committee a month later.

Ho Sam-su described the special committee as a "military junta which was similar to the SCNR," according to prosecutors.

Chon was quoted as admitting that the SCNSM was the birthplace of the Fifth Republic and was a group preparing for the seizure of political power.

Kim Chong-yol's Tete-a-Tete With Choe Kyu-ha

Kim Chong-yol, a former defense minister, volunteered to negotiate with President Choe Kyu-ha to persuade him to step down as president and had a five-hour discussion at Chongwadae [presidential offices] on July 30 1980, then Prime Minister Sin Hyon-hwak was quoted as saying.

Choe at first refused to resign, saying, "People want a man like me, rather than soldiers, to steer the interim government," but Choe later decided to resign at the last moment. Kim immediately informed Chon of the results of his talk with Choe.

Chon's Diversion of [Korean] CIA Fund

In an early summer day in 1980, Chon asked then Deputy Prime Minister Kim Won-ki to give him 10 billion won. The next day, Chon received 10 billion won from the reserve fund of the Central Intelligence Agency at the cabinet council meeting and he used a total of 12 billion won including the money from the CIA to create a new political party.

Chon delivered the fund to Kwon Chong-tal so that it would have to be used for recruiting personnel to participate in the new party from July 1980.

Mitigation of Kim Tae-chung's Sentence

No Tae-u instructed Han Yong-won, intelligence director of the Defense Security Command, to study ways to have the death sentence of opposition leader Kim Tae-chung commuted in July 1981 before he faced final sentencing in the appeals court.

Chon and No attached conditions to the commutation — U.S. pledge for a summit with Korea shortly after President-elect Ronald Reagan was sworn in as president and Japan's provision of a 10 billion-U.S.-dollar loan, prosecutors disclosed.

ROK: Chon Tu-hwan Denies Scenario To Seize Power in 1980

SK2204115196 Seoul YONHAP in English 1041 GMT 22 Apr 96

[FBIS Transcribed Text] Seoul, April 22 (YONHAP) — Former President Chon Tu-hwan said Monday he was not aware of the existence of any scenario for seizure of power by him and his fellow generals and colonels in early 1980, but conceded there was a plan to cope with the then political confusion.

At the 5th session of trial of Chon and 10 co-dependents involved in the Dec. 12 and May 18 incidents, Chon said he never heard of or knew the contents of the so-called "Operations-K" plan, an alleged scenario for power usurpation by Chon and his colleagues.

"I never knew about the plan until I was questioned about it during the public hearings held by the National Assembly upon my stepping down from presidency in 1988," Chon said.

Chon and Hwang Yong-si, formerly commander of the 1st Corps, were questioned at Monday's session held at the Seoul District Court.

The prosecution produced a copy of the "Operations-K" plan in an effort to verify the charges that Chon and his men usurped power in a premeditated plan.

Chon, however, conceded there was a plan to cope with the political confusion of early 1980. "The plan was a lawful part of the martial law programs, designed to resolve the then chaotic domestic situation," Chon said.

The "Operations-K" plan, as displayed by the prosecution, shows that the plan was intended to "foster stability conducive to the sustained expansion of national strength based on military unity."

One of immediate policy goals of "Operations-K" was to "transform the misled public opinion favoring democratization into an opinion advocating stability."

As the method of such a switch, the plan provides for press censorship and persuasion of leading journalists through individual contacts.

The cover of the "Operations-K" plan was stamped with "confidential" and the signature in approval column on the cover, believed to have been that of Defense Security Commander Chon Tu- hwan, was somehow erased out.

He also said he initially planned to set up the special committee for national security measures on April 19, 1980 as a presidential advisory organ to cope with the then growing political confusion. Its creation was shelved as students demonstrations began to subside, he said. The special committee was in effect a junta council that decided all major state policies over the heads of the cabinet.

"Our second plan was to inaugurate the special committee at the time the expanded martial law was announced on May 17, 1980, but the plan failed, too, due to objection by the then President Choe Kyu- ha," he said.

The special committee was set up anyway on May 31, 1980 with Chon as head of its all-powerful standing committee.

As to the background of his concurrent directorship of the Korean Central Intelligence Agency, the predecessor of the Agency for National Security Planning, Chon said he assumed the agency duty at the instructions of President Choe Kyu-ha who he said wanted to step up the intelligence-gather function of the agency in the face of growing threat from the North.

ROK Former Presidential Aide Admits to Bribery Charges

SK2304073596 Seoul YONHAP in English 0704 GMT 23 Apr 96

[FBIS Transcribed Text] Seoul, April 23 (YONHAP) — Defendant Chang Hak-no, former aide to President Kim Yong-sam, admitted to the bribery charges brought against him in a court hearing presided over by Seoul District Judge Pak Tae-tong Tuesday.

He testified during questioning by prosecutors that of the 2.76 billion won he received from 14 businesses since January 1990, approximately 760 million won could be considered bribes, or the money received in exchange for his influence as presidential aide, and the rest was purely gifts he received on such special occasions as Chusok moon festival and Lunar New Year's day.

He submitted, through his defense lawyer, a document certifying that he has contributed 1.2 billion won to the Rural Youth Education and Development Foundation as evidence of his earlier statement that he would make a donation to a rural youth organization.

Chang was indicted and held on bribery charges last month.

ROK: NKP's District Manager Arrested for Violating Election Law

SK2304094796 Seoul YONHAP in English 0828 GMT 23 Apr 96

[FBIS Transcribed Text] Chongju, North Chongchong Province, April 23 (YONHAP) — The local prosecution, which is investigating the alleged illegal use of the corporate funds of Soju Industrial Co. during the recently ended 15th general elections, arrested Yi Sang-chon, organizing manager for the ruling New Korea Party [NKP]'s Hungduk chapter in Chongju, on charges of violating the public office election and illegal election prevention law Tuesday.

The prosecution also began searching for two fugitives — youth manager Kim Pop-ki and women manager Yi Sam-sun — on similar charges. The chapter's chairman is Yun Sok-min, who was unsuccessful in the elections.

The three managers, who were given 114 million won by Yun's secretary Choe Sun-yol at the chairman's instructions in January, are accused of having paid 60 campaign volunteers 30,000 won each per day since March 29. Choe has already been arrested.

Yi, after organizing local party councils involving some 2,400 party sympathizers at 17 tong in the electoral district, gave them money in return for their participation in party member education programs or for their mustering of voters at stumping speech sessions, prosecutors said. Yi is suspected of having spent 76 million won for that purposes.

The organizing manager is also suspected of distributing 400 cakes worth 2 million won as gifts.

ROK: NKP To Begin Preparations for 1997 Presidential Election

SK2204014196 Seoul YONHAP in English 0122 GMT 22 Apr 96

[FBIS Transcribed Text] Seoul, April 22 (YONHAP) — The ruling New Korea Party [NKP], after finishing its assessment of the results of the 15th general elections, will revamp the operating system of its central in four stages to prepare for the presidential election late next year.

The first stage will last until December when the National Assembly closes its 1996 regular session, the second until the presidential nomination convention slated for May next year, the third until the opening of the 1997 regular session of the National Assembly in September and the fourth and final stage will last until the presidential election in December 1997, party officials said.

Preparations for the first-stage will focus on improving the party's image so that people trust it in the future after checking to see if the party fulfilled its recent parliamentary and 1992 presidential election promises and promoting the unity of the party rank-and-file. The party is also going to reorganize leadership at those parliamentary district chapters that failed to win the last three parliamentary elections in a row.

Each district was responsible for its own campaign in the recent general election, but responsibility will be shifted party headquarters for the coming presidential election [sentence as received].

The second stage will focus on selecting of the party's presidential nominee by, the third stage on promoting the nominee's public image and the fourth stage on all-out campaigning.

ROK: ULD Appoints Kim Yong-hwan New Party Secretary General

SK2204032796 Seoul YONHAP in English 0234 GMT 22 Apr 96

[FBIS Transcribed Text] Seoul, April 22 (YONHAP) — The United Liberal Democrats (ULD), in the first move of an anticipated reshuffle of its leadership, named party Vice President and former Finance Minister Kim Yong-hwan as secretary general Monday, replacing Cho Pu-yong.

ULD President Kim Chong-pil said, "The post of secretary general is too important to be left vacant for even a moment and thus has been tended to first before anything else."

"Vice President Kim has been appointed to assume all responsibilities involving the operations and management of the party," he added.

Whether or not the ULD will reshuffle other party posts is still being considered, Kim Chong-pil said, but he believed that such announcements would probably be made later this week.

ROK Intensifying Search for Nuclear, Power Plant Locations

SK2204002296 Seoul THE KOREA TIMES in English 22 Apr 96 p 2

[FBIS Transcribed Text] The government is intensifying search for a site for nuclear and other power plants now that the general elections are over, the Ministry of Trade, Industry and Energy [MOTIE] and Korea Electric Power Corporation [KEPCO] said.

MOTIE officials said yesterday that they had been careful to refrain from inviting public criticism but that time is running out for many power generation projects. For one thing, measures are being taken to push the administration of Yonggwang, Chollanam-to to reissue the license for constructing Yonggwang Nuclear Units 5 and 6.

The license was retracted by the city administration after residents continuously protested against the construction of additional nuclear power plants. At present, there are four plants in operation in Yonggwang.

In addition, the government is looking to push ahead with the construction of fire-powered and pumped water storage plants in Yonghung-to and Yangyang, respectively.

"While residents are protesting against the location of power plants in their neighborhood, detailed studies have been conducted to conclude that they are the most suitable sites," one KEPCO official explained.

In Yangyang, Kangwon-to, for instance, residents have been contending that the construction of the pumped-water storage plant will discourage salmon from returning to its watering grounds.

However, in all cases, KEPCO has done extensive tests to show that constructing the plants will not have a negative impact on the respective sites and MOTIE is certain to push ahead with the construction plans.

"The feelings of the residents are perhaps understandable, but they must take the nation's interest into consideration;" one ministry official said.

Along this line, the ministry is expected to expedite the selection of the site for a spent fuel repository, which is particularly urgent because of the saturation of temporary storage facilities at nuclear power plants.

ROK: Kim Yong-sam Seeks 'Positive Cooperation' for OECD Bid

SK2204015396 Seoul YONHAP in English 0129 GMT 22 Apr 96

[FBIS Transcribed Text] Seoul, April 22 (YONHAP) — President Kim Yong-sam asked visiting secretary general of the Organization for Economic Cooperation and Development (OECD), Donald Johnston, Monday for the positive cooperation of the OECD in South Korea's bid to join it this year.

At their meeting in Chongwadae [presidential offices], Kim commended the world body for "forming a new economic world order based on democratic and free-market principles."

The fifth-year OECD head arrived in Seoul Sunday at the invitation of Foreign Minister Kong No-myong and is to depart Tuesday.

ROK: Hyundai Marks Technological Achievements

SK2304040096 Seoul THE KOREA TIMES in English 23 Apr 96 p 8

[FBIS Transcribed Text] Korea's largest business conglomerate, Hyundai, declared yesterday Hyundai Technology Day to pour all energies into developing technologies and putting a backward capital goods industry on a new plane. As a way of turning its dreams into action, Hyundai proclaimed the formation of an intragroup grand committee to exclusively take up research and development (R&D) projects.

In a more positive bid to encourage the development of technology, Hyundai adopted a new citation system under which 46 individuals and teams were given various awards for their outstanding contribution to technological development.

Three individuals and four teams received the grand prix award.

The individual winners were Kim Nam-hae, a general manager of Hyundai Heavy Industries; Kang In-kuk, a manager of Hyundai Engineering; and Cha Chong-min, the chief of Design Team 2 at Hyundai Motor's Design Institute.

The team winners were led by Hwang In-sok, executive managing director of Hyundai Electronics Industries' semiconductor memory chip research institute; Yi Tae-un, managing director of Hyundai Motor and chief of the central research institute; Chong Su-won, director of Hyundai Heavy Industries and senior fellow of the Industrial Technology Research Center; and Pyong Hong-kun, director of Hyundai Engineering and Construction in charge of overseas civil engineering.

In a ceremony, Hyundai Group chairman Chong Mong-ku said that the Hyundai Technology Award contains the group's will to realize value- oriented management, the group's top management strategy.

"This award will be a catalyst to encourage Hyundai minds to study and develop world class technology, becoming a leverage sharpening Hyundai's competitiveness in an era of unlimited competition," Chong told some 1,000 executives and employees of the group at the corporation's headquarters in downtown Seoul.

Hyundai has also decided to inaugurate a committee on R&D manpower, which will draw up technology development strategies, to step up efforts for R&D activities and bring up technological innovators, Chong said.

ROK: $7-Billion Farm Trade Deficit 70% of Total Trade Deficit

SK2104215196 Seoul THE KOREA ECONOMIC WEEKLY in English 22 Apr 96 pp 1, 12

[By staff reporter Kim Su-chan]

[FBIS Translated Excerpt] [passage omitted] During the Seoul Food Show held at the Korea Exhibition Center (KOEX) from April 9- 13, the world's leading agro-livestock exporting countries sent large-scaled trade delegations, installed their own national pavilions and strengthened sales promotional activities.

"Some people in the line must have strongly criticized imports of beef only a few years ago," said Yi Kon-hui, Korean representative of the New Zealand Meat Producers Board, adding: "The market situation here is rapidly changing. The public recognition on imported beef is also being improved."

Along with worsened competitiveness of Korean beef, Yi expected that the Korean Government will have no choice but to increase imports of beef.

To stabilize consumer prices and meet rising demand, Korea additionally imported 20,000 tons of beef in addition to 103,000 tons set for the market minimum access amount last year.

The domestic beef consumption has been on the increase. A Korean consumed six kilograms of beef last year, up 0.7 kilogram from the previous year, according to sources at the Ministry of Agriculture- Forestry-Fisheries.

Of the total beef market estimated at 330,000 tons this year, imported beef is expected to account for 50 percent or 165,000 tons. For the import beef market, which will be fully liberalized in 2001, the US, Australia, New Zealand and Canada are trying to win larger shares.

Canada also sent a large delegation to the show composed of five beef packers, including Better Beef Ltd. and Cargill Foods Canada.

"We will increase our market share to 5-6 percent or 5,000 tons this year from 2 percent. As the national image of Canada is appealing to Korean consumers, I believe that there will be no difficulties in achieving the target," said Amost H.K. Kim, marketing representative of the Canada Beef Export Federation. [passage omitted]

At a press conference organized by the USA Federation, William Farmer, the federation's regional director for international promotional operations said, "We were very disappointed when Korea decided to purchase Indian rice last year."

"We are eager to supply some portion of the nation's minimum market access which has been set at 64,000 tons this year," said Farmer, adding: "This will benefit both Korea and the US since more choices will be offered to Korean consumers at lower prices."

Commenting on worries of Korean consumers about the safety of the US rice, Farmer said, "When we harvest rice, we don't draw a line between domestic consumption and exports. The US consumers, including me, eat the same rice which is exported to other countries."

Furthermore, when 540,000 tons of US rice were exported to Japan in 1994, US rice easily passed all the chemical residue standards set by Japan's Ministry of Health, he emphasized.

Since the US rice industry is heavily investing in developing improved species which are resistant to harmful insects and need less farming chemicals, the quality of the US rice is being secured, he continued to say.

Since Korea is unlikely to attain the self-sufficiency due to reduced number of rice farmers who are shifting to other farm products, the nation will have to depend on import. "It's not a unique situation for Korea. Rather, it is a worldwide trend," said Farmer, adding: "For that day coming soon, Korea is required to focus on importing table rice not processing-purpose rice."

Milton Bazley, regional export manager of the ARGC [Australian Rice Growers Cooperative Ltd.], agreed with Farmer, saying, "Along with the US, Australia will be major sources to supply quality but cheap rice to Korean consumers."

In the other room of the hotel, a seminar on the Danish pork industry was held, in which some 300 Korean pig marketers participated. Jointly organized by the Royal Danish Embassy in Seoul and Federation of Danish Pig Producers & Slaughter House, the seminar was designed to develop the Korean pork market.

Bent Knudsen, chairman of the federation's market committee, said, "Korea is now emerging as an important market for the Danish pork industry. We have been interests in the market."

As major exporting countries are expanding their marketing strategies and promotional activities, imports of agro-fisheries goods are expected to increase sharply.

In 1995 Korea imported $10.52 billion worth of farming goods, up 20.7 percent over 1994, sources at the ministry said. Meanwhile, Korea exported $3.47 billion worth of products, bringing about a trade deficit of $7.05

billion which accounted for 70 percent of the nation's total trade deficit. Imports of livestock goods also rose 31.3 percent to $1.22 billion.

Especially, imports from the US rose as much as 72 percent to $3.65 billion.

Furthermore, since 31 agro and marine products, including frozen Alaska pollack, will be additionally liberalized from July, imports will further increase, the ministry said.

"In order to tide over high waves of the market liberalization, both government and industries will have to improve international competitiveness as early as possible," said So Chong-kyok, research coordinator at the Korea Rural Economics Institute.

"The problem is that more rice farmers are turning to other industries due to worsened profitability," said So, adding: "We have to seek ways to increase income of rice farmers, thus encouraging them to continue rice farming." He believes that the rice farming industry should adopt the economy of scale.

The Korean beef industry has so far put up a good fight against imported beef due to comparatively higher quality, according to So. But it's time for the industry to prepare for imports of chilled and high-quality beef, he emphasized.

ROK: OECD Chief-Designate Comments on ROK Labor Conditions

SK2304062496 Seoul YONHAP in English 0559 GMT 23 Apr 96

[FBIS Transcribed Text] Seoul, April 23 (YONHAP) — Secretary General-Designate Donald Johnston of the Organization for Economic Cooperation and Development (OECD) said Tuesday that he expects South Korea to make significant improvements in labor rights prior to its joining the group of advanced economies.

Johnston said that he expected President Kim Yong-sam to make an announcement on improving South Korean labor rights in the near future.

"Of course, I'm not in a position to say about what President (Kim Yong-sam) will issue but we will be looking very closely at the developments to be made in the near future (on the labor rights in South Korea)," the OECD secretary general-designate said.

Johnston was responding to a question about reports about labor rights restrictions in South Korea including the ban on third party intervention in labor disputes and multiple labor unions within a workplace.

"There are no specific standards on labor (in connection with OECD membership)," he said.

Johnston added, however, that "In a broader sense, it is relevant that members of the OECD should respect human rights," noting that "labor rights are part of human rights."

The secretary general-designate recommended that South Korea cecede from the Group of 77, a grouping of developing countries, once it joins the OECD by taking note of the case of Mexico which departed from the Group of 77 on the day it joined the group of rich countries.

"My understanding is that the Mexican precedent will apply," he said.

"The issue is one of goals and purposes of OECD and Group of 77," he said. "OECD is an advanced economies and another group has very different purposes."

Johnston appreciated Seoul's efforts in the past few years to revise laws to open domestic markets further to foreign countries, saying that the revisions clearly approached standards demanded by the OECD.

"Korea has reached the stage of development (in terms of market opening standards) and has its own interest," Johnston said. The important thing, therefore, is "to try to find the right balance between the two."

Johnston who will assume the chief post at OECD on June 1 also said that the OECD does not have any special objections to the schedules presented by South Korean officials on Seoul's market opening.

He said, however, that it is in Korea's own interest that it further opens its financial markets, adding that its interest rate could be lowered further if its financial market were unified with the world financial system opening the market further.

ROK Ministry To Lower Barriers in Nonbanking Financial Sector

SK2304040696 Seoul THE KOREA TIMES in English 23 Apr 96 p 9

[By staff reporter Yi Chang-sop]

[FBIS Transcribed Text] The existing high walls among such non- banking financial institutions as leasing, credit card, installment finance and factoring firms will be lowered this year.

These financial firms not taking deposits will be able to penetrate each other's business territory on a limited and gradual basis, according to Ministry of Finance and Economy officials.

Assistant Finance-Economy Minister Kim Yong-sop said, "The government is positively considering allowing these financial firms dealing in only lending services to develop financial products as long as they do not challenge each other's core services.

Due to the strict separation of business territory among these financial firms engaged in only lending-related services, Korea's non-banking financial institutions might not be able to survive the escalating competition, he said.

They are also seriously handicapped when competing with merchant banks, which are allowed to handle a full range of financial services, including leasing and international finance business.

From July 1, the 15 remaining investment finance companies, widely known as short-term finance companies, will be converted into merchant banks, doubling the number of players to 30 in the domestic merchant banking market.

When the number of merchant banks are doubled, such firms as leasing, credit card, installment finance and factoring firms will experience more difficulty in doing business. This might worsen their financial health, which will inevitably affect consumers, policy-makers said.

Thus, the government decided to tear down, gradually, the business boundaries in the non-banking financial market, they said.

The 26 firms specializing in leasing firms said their business territory is being challenged by merchant banks. Installment finance companies, established this year, and factoring firms said they have been unable to stand on their own feet due to the tight regulation on the area of business they can handle.

Each of these non-banking financial firms is controlled by separate laws, and the government is considering ultimately merging these laws into one, they said.

Deputy Premier-Finance and Economy Minister Na Ung-pae has repeatedly indicated easing business barriers among leasing, credit card, factoring and installment finance firms this year.

"The government will revamp the non-banking financial market in the second half of this year," he said.

Government officials said they want to guide non-banking financial firms to merge with each other to scale the economy. The gradual tearing-down of business barriers is the government's move toward adopting a universal banking system in Korea where all types of financial services are handled under one roof.

Burma

Burma: Second Group of 33 Thai Prisoners Departs Rangoon

BK2204152696 Rangoon Radio Myanmar in Burmese 1330 GMT 22 Apr 96

[FBIS Translated Text] An arrangement has been made to release a total of 100 elderly and long-serving Thai prisoners, who are among the Thai prisoners serving sentences in Myanmar [Burma]. A second batch of 33 Thai prisoners left Yangon [Rangoon] International Airport for Bangkok at 1030 today on a Thai Airways flight. An arrangement has also been made to repatriate a third batch of 33 Thai prisoners on 24 April.

Burma: Ho Mong People 'Anxious' Following Khun Sa's Departure

BK2204133296 (Internet) BurmaNet News in English 21 Apr 96

[Report by Shan Herald Agency News dated 26 March]

[FBIS Transcribed Text] After Khun Sa left Ho Mong on March 8, 1996, his second son Zao Zarm Hurng (in charge of logistics) followed him on March 14, 1996, saying he would be back after about a fortnight.

Prior to his departure, and after his father had left, Zao Zarm Hurng explained about the situation to his close aides. He said there were four options for the SLORC [State Law and Order Restoration Council] concerning his father after he had been forcibly summoned to Rangoon:

1) SLORC may hand him over to the USA (since the SLORC is known not to be trustworthy.

2) They could inject him with secret poison that would shorten his life, under the guise of health care (even though he had brought his own medic Sai Mint with him).

3) They could detain him for a long time, using various pretexts (they might even give him life imprisonment).

4) They could let him come back to Ho Mong if he is fortunate enough. And this is the last hope.

(It is said that just before he boarded the helicopter to leave Ho Mong, he was searched by SLORC soldiers and he was so frustrated that he shed tears afterwards.)

After they had heard this, many people in Ho Mong became anxious about their future.

Some said they would stay on for two-three months to see how things turned out. If things became worse, they would have to find ways to leave.

Sao Khwan Muang, ex-secretary of the CEC/SSRC [Central Executive Committee/Shan State Restoration Council], sold his Toyota Hilux pick-up truck, which Khun Sa gave him in 1992, for 10,000 Baht and his pistol for 12,000 Baht, and left Ho Mong on March 6, 1996.

Prior to Khun Sa's departure, he sent Sao Khwan Muang a package, about 8 inches thick (containing Burmese currency notes) and some words which said "You can go home if you want to. If you want to contact him (Khun Sa), don't go to Rangoon, go to Khun Kham Leng's house (the Shan name of Khun Seng's brother, Khun Sa's uncle) in Taunggyi". Realising that Khun Sa was buying him off, he left within 2-3 days via the motor road.

No other officials received money like this from Khun Sa, except for the original members of his SUA [Shan United Army]. Most have been abandoned with nothing in hand, as if to say "As I have failed, no one will succeed me and inherit my properties."

Burma: SLORC Troops Tighten Blockade of Supplies in Shan State

BK2204142696 (Internet) BurmaNet News in English 21 Apr 96

[Report by Shan Herald Agency News dated 31 March]

[FBIS Transcribed Text] Since early March 1996, SLORC [State Law and Order Restoration Council] troops have been tightening the long imposed four-cuts policy over the people of middle and northern Shan State. The most affected are areas of Hkum Pang, Kunlong, Mong Nang, Nong Som and Ke-hsi (the territories of the 7th Brigade SSA [Shan State Army] ceasefire group led by Zao Pang Fah). They force the people to move and gather in one place within three days and they shoot at those who disobey their orders and burn houses. Two elders were burned to death in their houses at Mong Nang while trying to take out their ancient copper statues of Lord Buddha.

In Lai-Kha township, the areas of Kang Oon, Hai Gong, Wan Look and Nong Som (territories of SSNA [Shan State National Army] led by Zao Sai Yi) are suffering the same fate. Those who do not want to gather in one place have to flee in different places.

The Palaung village of Nam Mo, near Hsi-seng, which had more than 300 households, is now deserted because the Burmese troops had driven many villages in the area to gather at Wan Thiza Lai Khum in Lai-Kha township. Rice and paddy are to be carried away in three days. After that any rice and paddy left behind were burnt immediately.

In early March, SLORC had ordered the SSA ceasefire group to move all their force and concentrate at Om Mu (Headquarters of 3rd Brigade) at Nam Lao village (they must dismantle the 1st Brigade base of Zao Pang Fah and move to Nam Lao — south east of Mong Kao at Seng Kew - GHQs [General Headquarters] of SSA.

The movement must be completed before 27-28 April 1996. The SSNA of Karnyord also received a similar order from the SLORC.

The reasons for tightening the four-cuts policy and concentrating SSA-SSNA's strength are to prevent the ex-MTA non-surrender armed group (led by Maj. Yord Serk and Maj. Khur Ngern) from getting help from the people and to prevent SSA-SSNA from helping and receiving them.

If all this is true, SSA and SSNA are already in a hard-pressed condition and will have to face many difficulties even to survive, let alone to protect the people from the four-cuts policy or to receive the MTA non-surrender group.

The ceasefire should have been made with the intention of working towards a peaceful settlement. But SLORC troops are deliberately creating a crisis and chaos in these areas. How can the ceasefire groups just stand by and look on?

Burma: SLORC's Captain Kyaw Soe Defects, Joins ABSDF Army

BK2004162996 Oslo Democratic Voice of Burma in Burmese 1345 GMT 19 Apr 96

[FBIS Translated Text] Captain Kyaw Soe from the SLORC's [State Law and Order Restoration Council [SLORC] Regional Control Command Headquarters in Muse made contacts with the KNPP [Karenni National Progressive Party] units this month. Through these units he sought refuge with the ABSDF [All Burma Students' Democratic Front] student army. It has been mentioned in the ABSDF's statement issued today. Capt. Kyaw Soe, who majored in law and served in the army for 21 years, said he knew too much about his superiors' unfair treatment, corrupt nature, and their vested interests. He added that he joined the student army because his superiors tried to frame him and take action against him. He said peace, which is desired by the international community and the Burmese people, will prevail in Burma only when the democratic forces led by Daw Aung San Suu Kyi, the ethnic groups, and the SLORC hold a tripartite meeting to resolve the political issues.

Burma: Article Views NLD's Scrapped New Year Ceremony

BK2204145196 Rangoon THE NEW LIGHT OF MYANMAR in English 20 Apr 96 p 3

[Article by Byatti: "How Eventful on the New Year Day!"]

[FBIS Transcribed Text] The 16th of April was the New Year Day on which the old year 1357 Myanmar [Burmese] Era [ME] ended and the new year 1358 ME was ushered in. After washing out the filth of the old year with Atar [Water festival] water, Myanmar perform deeds of merit on the New Year Day. This tradition can be called cultural heritage.

Buddhist devotees throughout the country perform deeds of merit, offering flowers, lights, water and scents at pagodas and Buddha images. Religious associations in townships, wards and villages also perform meritorious deeds, conveying the 28 Buddha images through wards for public homage, keeping the Precepts at dhammayons [religious halls], reciting Pathana and parittas, offering "soon" [food] to members of the Sangha, listening to sermons delivered by the Sanghas, paying obeisance to the aged, setting animals free, etc and shared the merits thus gained.

However, a group of people seeking opportunity from a nook showed strength in a rally and designed a plot to make political gains, taking advantage of the occasion of a day of significance or piety. Authorities concerned, it is heard, took deterrent measures to prevent occurrence of disturbances and public nuisance on this day, significant in the context of culture or religion.

A dictatorial party leader, also designed a similar plan to profit politically taking advantage of observance of a significant day at the 19 July 1989, Arzani Day [Martyrs Day], ceremony. It was rather like finding the medical treatise only when it is too late for cure and there have been large numbers of people who helplessly plunged into trouble.

Also on this New Year Day, they designed a plan under the pretext of holding a ceremony to release fish merely to profit politically. The Dhanathahaya (Commonwealth) compound [Aung San Suu Kyi's housing compound] as the gathering point, they attempted to show strength. The plan was finally scrapped due to the deterrence of organizations concerned at different levels. The plan was scrapped but the information did not reach those who originally hatched the idea. It could not be attributable to obstacles and delays in communication and it was to be concluded that it was like a situation of setting off the time bomb by intentionally withholding the information.

When there was about to be a fallout between the authorities at different levels and groups of persons who were instigated, persuaded and gathered, managing, supervising persons who hold the title of leadership deftly parried with a response that they had already scrapped the plan to release fish.

Without a sense of duty, they said the matter had already been solved with that.

Whatever was said, persons who heard of the premeditation and dishonest plan of those who wanted to establish individual power or profit politically on this significant day were unhappy.

It should not be stunts for making cheap political gains. The gang masters themselves would know best that the situation was such that some persons faced stark disgrace, their stunts becoming cheap due to their inability to ascertain the scope of people who did not accept such stunts.

There was also a "one-person advertising programme" with own expense on her seemingly going shopping in Bogyoke Market on 7 April. ABC [Australian Broadcasting Corporation] journalists of Australia who waited there and took photos asked her questions. It appeared they regarded her as a well known princess of a royal family. There is one thing left. Foreign correspondents, who were harmonious with local Brahmin minds, thought highly of this lady whom City Development personnel who issued car-parking permits at the entrance to Bogyoke Market did not notice.

If it should go on to state how brilliant the masterminding Brahmins were in making the old appear new, one of them said he was the spokesman of the National League for Democracy [NLD] or the information officer or boasted that he was the political assistant. The person who is helping herd his aunty's cows without getting any money for his meals (democracy cowboy) arranged for the ABC Australian journalists an interview on 9 April with an Indian gardener of the Dhanathahaya (Commonwealth) compound named Eba who was made to tie a strip of cloth round the forehead to appear as an active student youth. It appeared not bad should a party youth assume the role of the interviewee.

It has not gone smooth for everything was done without rhyme or reason and with a craze for power. On the New Year Day, a ceremony to recite parittas was held in a different manner in the Dhanathahaya compound. It might be a perverse act that countered the recitation of parittas by members of the Sangha in the entire country. They made nuns recite parittas in the compound. Members of the Sangha are sacred persons who keep 227 precepts (Sila or code of conduct) specifically over 90 billion precepts. [sentence as published]

As nuns were made to recite parittas, Kammavaca was not read to keep the compound free of evil spirits. It is to be assumed that they feared that ghosts from violent deaths or splinter goblins might get away from the compound. Whatever was said, it is certain that they dared not have the Kammavaca, which is desired by many to guard against evil spirits, read in the compound.

Following this event, it is certain that there will be a gathering, more rousing than ever, of ghosts from violent deaths and splinter goblins who have been banished from various parts of the country by the sound made by the traditional banging on tin buckets.

How eventful for the great gang masters on the New Year Day!

Burma: Than Shwe Warns Against Work of 'Destructive Elements'

BK2304125196 Rangoon TV Myanmar Network in Burmese 1330 GMT 22 Apr 96

[FBIS Translated Excerpt] The first four-monthly coordination meeting between the State Law and Order Restoration Council [SLORC] and state and division law and order restoration councils was held at the meeting hall of the army commander in chief's office at 0930 this morning. Senior General Than Shwe, SLORC chairman and commander in chief of the Defense Services, attended the meeting and delivered an address.

The meeting was attended by General Maung Aye, SLORC vice chairman, deputy commander in chief of the Defense Services and army commander in chief; Lieutenant General Khin Nyunt, SLORC secretary- 1; Lieutenant General Tin U, SLORC secretary-2; Vice Admiral Maung Maung Khin and Lt. Gen. Tin Tun, deputy prime ministers; SLORC members; cabinet ministers; the chief justice; the attorney general; the chairman of the Civil Services Selection and Training Board; the chairmen of Yangon [Rangoon] and Mandalay city development committees; senior military officials from the defense ministry; divisional commanders; brigade commanders; deputy ministers; chairmen of state and division law and order restoration councils; and responsible personnel. Lieutenant Colonel Pe Nyein, director general of the SLORC Office acted as secretary of the meeting.

In his opening speech Sr. Gen. Than Shwe noted that the four-year economic plan for the development of our country that began in 1992- 93 has ended. The country's economy has developed beyond expectations, since the actual implementation of the plan exceeded the target. The success is the result of the concerted efforts of the central-level and regional-level responsible personnel. He stressed the need for more unified efforts to accompany the five- year plan to be implemented in 1996-97. [passage omitted urging for success in implementation]

The SLORC chairman explained the government has been genuinely striving for the development of the country and the people. He warned that they must beware of the pessimists and destructive elements that are engaged in destructive activities and that have turned a blind eye to the achievements. These internal destructive elements, seeking personal and organizational gains rather than the country's, have been utilizing all means to destabilize the country and deter economic growth. These elements, lacking strength internally, have been steadily inciting and creating conflicts and disturbances with the help of foreign nations and external organizations in disregard of the national interest

Sr. Gen. Than Shwe added the government is sincerely striving for the country's stability and development so as to achieve national reconciliation, as the national races have suffered for more than 40 years without progress with the disintegration of national unity. He said those who sincerely want to cooperate with the government are warmly invited to work for the establishment of a new modern developed nation. He declared the government has categorically and officially stated its nation building program in the four political objectives. The group of destructive elements, ignoring the successes so far achieved by SLORC, is resorting to various means to create disturbances and destabilize the country in a direct, confrontational manner. The government, with genuine goodwill, has to exercise much tolerance to ensure that the stability of the country, the development of the nation and its citizens, and the momentum of progress achieved so far are all unhindered and that undesirable incidents are prevented. We truly do not want hatred to be borne among our national races in the long term. The entire populace need to understand and know our genuine goodwill. Finally, Than Shwe called for ostracizing all destructive elements and to strive with unceasing efforts for the successful implementation of the plans for the country and the people. [passage omitted on reports presented by responsible personnel]

Brunei, Malaysia & Singapore

Brunei

Brunei: Thai Prime Minister, Delegation Arrive 23 Apr

BK2304102196 Bangkok Radio Thailand Network in Thai 0000 GMT 23 Apr 96

[FBIS Translated Text] Chintana Choichumphot, correspondent of the Public Relations Department, reports from Brunei as follows:

Prime Minister Banhan Sinlapa-acha, his wife Khunying Chaemsai Sinla-acha, and his delegation arrived at Brunei airport at 2210 local time yesterday. The Brunei minister of communications and acting minister of foreign affairs and his wife; the minister of health and his wife; the Brunei delegation; and the Thai Ambassador to Bandar Seri Begawan Prasat Maensuwan and his wife welcomed the Thai prime minister and delegation at the airport. After their arrival, the Thai prime minister and his delegation proceeded to the VIP reception hall, where the Brunei Government had prepared refreshments for the Thai visitors.

According to the itinerary for the visit, today, 23 April, an official welcome will take place at Parliament Square in the morning. After that the prime minister and delegation will visit Thai workers in Brunei. In the afternoon, the prime minister is scheduled to have an audience with the king of Brunei at Nurul Iman Palace and observe oil drilling operations. In the evening, the Brunei king and his wife will host a dinner in honor of the prime minister and delegation at Nurul Iman Palace.

Malaysia

Malaysian Officials Meet With Philippine Defense Secretary

BK2204120996 Kuala Lumpur Radio Malaysia Network in Malay 0530 GMT 22 Apr 96

[FBIS Translated Excerpt] Kuala Lumpur and Manila will cooperate in anticrime activities, particularly against piracy, to ensure lasting regional stability. This understanding was reached when Renato De Villa, Philippine secretary of national defense, paid a courtesy call on Deputy Prime Minister Datuk Sri Anwar Ibrahim in Kuala Lumpur this morning. De Villa is on a four-day visit to Kuala Lumpur. The two leaders met for more than an hour, during which wide-ranging issues were discussed, especially areas of cooperation that can be highlighted by the two countries. Among other topics raised were cooperation in the fields of defense and the economy.

Defense Minister Datuk Syed Hamid and several senior government officers were present during the meeting. [passage omitted]

According to Datuk Syed Hamid, De Villa voiced the Philippines' willingness to assist Malaysia in eradicating piracy in Sabah:

[Begin recording, in English] I think what is most important is for us to exchange information regarding the activities or criminology on both sides, and I think Philippines is willing to cooperate with us, and we are also willing to cooperate with them on matters that may affect Philippines. [end recording]

Earlier, De Villa called on Datuk Syed Hamid at the Defense Ministry. During their 45-minute talks, the two ministers discussed defense issues relating to the two countries, among other things.

De Villa arrived in Kuala Lumpur yesterday to attend the opening ceremony of the Defense Services Asia, DSA, exhibition and conference at the Putra World Trade Center, PWTC, tomorrow. A total of 626 companies from 42 countries will be taking part in the four-day exhibition. [passage omitted]

Malaysia: Security Increase in Sabah Planned To Curb Piracy

BK2204124296 Kuala Lumpur THE STAR in English 22 Apr 96

[BERNAMA report — received via Internet]

[FBIS Transcribed Text] Semporna — More soldiers will be sent here before the end of the year to beef up security in the wake of recent pirate attacks, Defence Minister Datuk Syed Hamid Albar said yesterday.

"There will be two army companies stationed here compared to one now, he told reporters after attending a meet-the-people function here.

Syed Hamid said he had also directed the armed forces to help the marine police.

Earlier, in a speech to 1,500 community leaders and residents here, Syed Hamid said the Government and Prime Minister Datuk Sri Dr. Mahathir Mohamed viewed the attacks seriously.

On February 10, seven armed pirates attacked the police station here and ran off with RM [Malaysian ringgit] 100,000 from a jeweller's shop in town.

A similar incident followed on March 27.

Information Ministry Parliamentary Secretary Datuk Shafie Apdal, who is the member of parliament here, told reporters the incidents affected the interests of at least three investors planning tourism projects in the district.

Singapore

Singapore Daily Sees More Secure Region With U.S.-Japan Pact

BK2304111996 Singapore BUSINESS TIMES in English 23 Apr 96

[Editorial: "Triumph of US Diplomacy" — received via Internet]

[FBIS Transcribed Text] Viewed in a regional rather than purely national context, the so-called Alliance for the 21st Century concluded last week in Tokyo between US President Bill Clinton and Japanese Prime Minister Ryutaro Hashimoto represents a triumph of American diplomacy and a symbol of Japan's developing postwar maturity. Whatever their differences, the two economic superpowers do share a commitment to stability in East Asia. A strengthened US- Japan alliance should therefore contribute to preserving peace in this region.

The genesis of the agreement between Washington and Tokyo to expand military cooperation goes back to the crisis triggered by North Korea's withdrawal from the International Atomic Energy Agency in 1994. The US asked Tokyo then to consider what help it could give US forces in the event of a regional crisis. The postwar Mutual Security Treaty had committed Japan only to supplying bases and financial support for US troops. A crisis on the Korean peninsula would call for some response from Japan, if only to deal with a potential exodus of refugees from the North. Yet this is not ultimately the factor which has galvanised Tokyo into taking initiatives that are potentially far-reaching.

It is the emergence of China as an increasingly assertive regional entity that has swung the balance in Japan. Japan held back from investing heavily in China's modernisation long after other regional and Western investors began to commit themselves heavily — for fear of creating a neighbour that would be as strong industrially as it is powerful diplomatically. The strong yen finally compelled Japanese manufacturers to turn to China, albeit with very mixed feelings about the kind of industrial-military superpower they might be helping create. China's subsequent maritime claims which could, at some future point, prejudice Japan's access to vital sea lanes reinforced these fears.

But it is China's recent actions which alienated Japan and pushed it closer to the US in terms of security cooperation. The confrontation with Taiwan, with the attendant implications of that action for access to international sea lanes by Japan and others, alarmed Tokyo. And the attempt by Chinese Foreign Minister Qian Qichen, on a visit to Tokyo, to discourage Japan from expanding the geographical scope of its military cooperation with the US was perceived as little short of intimidation. After such heavy-handed actions, the danger is that a de jure policy of "engagement" could become one of de facto "containment" within the context of a strengthened US-Japan mutual security alliance. From the US point of view, closer logistical cooperation with Japan will help offset the loss of former US military facilities in the Philippines.

Expanded alliance [subhead]

The expanded US-Japan alliance, of course, needs to cope also with a Korean situation which increasingly appears likely to end in crisis rather than rapport, and with an unstable Russia with which Japan has not yet signed a formal postwar peace treaty and with which it has continuing territorial disputes. The significance of heightened military cooperation between the world's first and third largest military powers (in terms of spending) can hardly be overstated. But so long as it is contained within the framework of close US-Japan relations which have wrought many desirable changes in Japan's political, economic and social structures, this is not something that ought to alarm the rest of Asia. Tokyo, like Washington, is committed to regional security dialogues which ultimately might help to defuse tensions within East Asia.

Singapore: Defense Ministry Issues Statement on Australian Ties

BK2204111696 Singapore THE STRAITS TIMES in English 20 Apr 96 p 2

[Report by Susan Sim]

[FBIS Transcribed Excerpt] The Australian Government is happy to have the Singapore Armed Forces [SAF] use facilities in Australia for training, Australia's Foreign Minister, Mr. Alexander Downer, said yesterday.

Canberra was committed to cooperation defence with Singapore and looked forward to "a future where that cooperation comes even closer and there is even greater involvement between our two defence forces", he told reporters.

He said he had an "excellent" meeting with Deputy Prime Minister and Defence Minister Tony Tan yesterday morning, adding that they "got on extremely well". [passage omitted]

In a statement yesterday, the Defence Ministry expressed gratitude to Canberra for the use of the facilities: "Singapore appreciates Australia providing the SAF with training areas and facilities such as the Republic of Singapore Air Force Flying Training School at Pearce, Western Australia, and SAF training at the Shoalwater Bay Training Area. SAF training in Australia enhances the professionalism and capabilities of the SAF.

"The presence of the SAF in Australia also brings benefits to the Australian economy, community and industry," it added.

The statement also welcomed Australia's commitment and active participation in the Five-Power Defense Arrangements, describing the fact as "an important element in the regional security framework". [passage omitted]

"I've pretty aggressively made the point to the Government here and to the business community and, importantly, to the media here that for Australia, engagement with Asia is our first foreign policy priority. And they accept that, understand it and appreciate it," he commented.

Mr. Downer met senior editors and editorial writers of Singapore newspapers at a luncheon yesterday after which he toured the stands at the Food & Hotel Asia '96 Exhibition at Trade Centre.

Speaking to reporters at the fair, he said that Australian industry needed to work harder to promote its image and the fair was an excellent opportunity to do so.

"Australia needs to be seen not just as a basic farm and a quarry ... We need to get out into trade fairs like this really show what Australia is really made of."

Singapore: WTO Head, Australian Official Comment on Trade Issues

BK2304133596 Singapore Radio Corporation of Singapore in English 1000 GMT 23 Apr 96

[FBIS Transcribed Excerpt] Member countries of the World Trade Organization are close to reaching agreement on the format of the first WTO ministerial meeting in Singapore at the year's end. WTO Director General Renato Ruggiero said he is confident that differences over priorities can be overcome. Mr. Ruggiero, who is here for the World Trade Congress, was speaking after he called on Trade and Industry Minister Yeo Cheow Tong this morning. [passage omitted]

Another leader who is here to attend the World Trade Congress is Australia's deputy prime minister, Tim Fischer. He praised Singapore, saying that the Republic was a leader in the WTO. But Mr. Fischer said Singapore soon needs to open up its financial and legal services to foreign participation.

Wong Soo How with more details:

[Begin recording] [Wong] Mr. Fischer, who is also the trade minister, says Singapore, like Australia, is an extremely open market. However, he wants to see Singapore improve its market access for Australian providers of legal and financial services, and these areas will be up for discussions in his meetings with Singapore leaders during his four-day visit here:

[Fischer] We are involved in representations on three bilateral issues, with special contacts (?reserved) for ministerial and other high-level visits, and some progress has been made. We are continuing with a range of activities. Some are well-known publicly, including key visits.

[Wong] Underlining strong bilateral relations, Mr. Fischer pointed out that trade between both countries was over 6 billion dollars [currency not specified] last year, up 16 percent over the previous year. However, he hoped Singapore businessmen would look beyond Australia's traditional areas when investing there:

[Fischer] Those key people amongst you who have such big stake holding in hotels in Australia, just remember, don't always put them on the coast. Take interest in all those important capital city locations. I can point you to [name indistinct] in my electorate [laughter] as being a very notable location on the gateway to Australian ski fields, and these technically much closer to Singapore than the European and American ski fields, I might add, in any travelling guide. [end recording]

Cambodia

Cambodia: U.S. Threat To Cut Aid for Democracy Criticized

BK2304045396 Phnom Penh National Radio of Cambodia Network in Cambodian
1330 GMT 22 Apr 96

[Political commentary: "More Serious Consideration Is Needed"]

[FBIS Translated Text] According to an AFP report from Washington on 18 April, the United States threatened to cut aid to Cambodia if the latter remained sluggish in its effort to promote democracy. Wiedemann, U.S. deputy assistant state secretary for East Asian and Pacific Affairs, made this statement during a meeting with journalists and Cambodia watchers in Washington Wednesday morning.

Wiedemann said that relations between the United States and Cambodia would surely suffer. He affirmed that should Cambodia fail to respect democracy and freedom of expression, without doubt U.S. aid to Cambodia would be terminated.

Cambodians throughout the country feel extremely and deeply disappointed by these tactless remarks by the U.S. deputy assistant secretary of state. Of course, aid donors have a right to give aid or to cut it. However, one must not make millions of Cambodians hostage to democracy and human rights. Like other signatory countries of the 1991 Paris conference on Cambodia, the United States is duty-bound to honor stipulations contained in the annex on Cambodia's rehabilitation and development. Besides, it should understand that Cambodia has just emerged from more than two decades of wars, and the effort to restore and establish democracy in this country at its nascent stage is barely three years old.

Therefore, how can you expect a three-year-old child to think and behave like an adult? This is impossible even with the best of teachers. One should do the following instead: continue to nurture the child until he grows up and becomes capable of handling tasks that grown-ups expect. Likewise, however hard the Royal Government has tried, democracy and human rights records in Cambodia over the past three years cannot equal and match democracy and human rights records in the United States, which is hundreds of years old.

In his address to the sixth session of the First National Assembly, acting Head of State Samdech Chea Sim maintained that over the past three years — rallied in staunch national solidarity and unity under the august protection of His Majesty King Norodom Sihanouk Varaman and revered Samdech Supreme Queen — our people have been strongly determined to share weal and woe with one another and to overcome all aspects of new tests and trials to defend and rebuild the motherland.

Our National Assembly, Royal Government, and people have made vigorous and tenacious efforts with a high sense of responsibility and many lofty sacrifices to mold the destiny of our motherland and make lives in our nation proceed in normalcy and progress in all fields.

The Royal Government has displayed tireless efforts, restraint, and diligence in forging national reconciliation and has taken effective measures to restructure the administration and the national armed forces with the intention of creating a neutral and efficient mechanism for state control. The implementation of a market economy has been conducted simultaneously with a drive to attract foreign investments, making it possible for the country's economic, financial, political, and social lives to evolve in the right direction with the superior interests of our people in mind. The policy of national reconciliation has been carried out step by step, producing satisfactory results. As a matter of fact, it has swayed thousands of our countrymen who served in the ranks of the Khmer Rouge bandits over to the government's side. Cambodia's new foreign relations have been broadened. This has won it greater sympathy and support and has brought it closer to the rest of the region and the world. Although difficulties still exist, we have made many new, fundamental achievements in our drive toward development.

Under the current difficult circumstances, it is better to continue promoting union, understanding, harmony, and good cooperation. Durable political stability and development are extremely precious to our country. Although the 1998 elections remain the principal objective of all political parties, we must not look at this moment as the starting point for splits, threats, bickerings, confrontations, and violent acts instead of concentrating minds and efforts on honestly competing with one another according to the principles of liberal democracy. On the contrary, each of us must continue making contributions so we can help facilitate uninterrupted progress toward national reconciliation, liberal democracy, pluralism, and human rights in our country. And should there be any obstacles, all of us must resolutely join hands in countering them so that this movement would not be reversed just because of a lack of restraint, efforts, constructive spirit, solidarity, mutual understanding, tolerance, and mercy.

This is Cambodia's real situation which cannot be copied from any other country. Cambodia is different from the United States. So, it must be allowed to proceed with implementing democracy and observing human rights at its own pace. His majesty the king once said that we should not compare incomparable things. Our citizens feel that the United States needs to be more considerate and should not believe a handful of extremists who have their own personal ambitions in mind and should not turn against the people of an entire country.

Cambodian Government Offensive Against Khmer Rouge Reported

BK2304101696 Bangkok BANGKOK POST (INSIDE INDOCHINA Supplement) in English 23 Apr 96 p 1

[Report by "special correspondent" in Phnom Penh: "Pailin Remains in Khmer Rouge Hands as Offensive Ends"]

[FBIS Transcribed Text] The traditional dry season military offensive of the Phnom Penh government is over. The decision to end military operations against the Khmer Rouge [KR] near Pailin, Phnum Malai, Anlong Veng, and Preah Vihear was taken early this month, diplomatic sources told INSIDE INDOCHINA.

Troops from the Royal Cambodian Armed Forces were less than a mile from the abandoned but heavily mined city of Pailin when the order to withdraw to rear positions was given, only a few days before the start of the Khmer new year, other reliable sources said.

A few days after the decision was taken to pull back the troops, some officials at the Defence Ministry claimed the abundance of landmines was the main reason why Pailin had not been captured.

Co-Defence Minister Gen Tie Banh (of the Cambodian People's Party — CPP) said: "Pailin is only one target, there are other targets no less important."

The government, on several occasions, announced the imminent fall of Pailin. At the end Pailin was never captured.

About 10 divisions had been engaged in the battle for Pailin since early January. But as is often the case in Cambodia, most of these divisions were understaffed and comprised no more than 1,500 men each. Other forces were engaged on various fronts against the Khmer Rouge.

Early heavy rain made it almost impossible to deploy tanks and heavy artillery to support the infantry.

In February there were questions about the success of the offensive and the government told the local press to report only positive news about the operations.

Military sources in Phnom Penh said there were many reasons why the offensive was halted.

Casualties were very heavy, as hundreds of soldiers were maimed for life by landmines used by the Khmer Rouge to protect their positions.

The elite Regiment 911, the Cambodian equivalent of special forces, was one of the main victims of the mine fields.

Poor standards of command were also blamed. Many officers assigned to Regiment 911 did not follow the same hard training as their men.

These men were trained in Australia, Malaysia and Indonesia and were the great hope of the RCAF.

The soldiers fought well, one source said, but suffered heavy losses as they were used for front-line duty and were often the first victims of the mines.

The exact casualty toll has not been released, but one inside source claimed more than 2,500 soldiers were either killed or wounded during the operation. Hospitals all over the country were recently taking wounded soldiers from the battle front.

Some of the military victims of war were secretly cremated at Wat Kampeng in Battambang province, the PHNOM PENH POST revealed.

The army supplied the wood. Others were cremated at the military crematorium in Battambang.

The same newspaper claimed that in several cases the army used civilians to clear land believed to be mined along Route 10.

Officially the civilians were being resettled on the land they formerly occupied, but it was still full of mines. Mines continue to kill and maim people every day.

Second Prime Minister Hun Sen said recently that there were "too many handicapped people spread across the country for the government to help them all" and urged the private sector to set a quota of at least two percent of the work force to employ disabled people.

Military operations against the Khmer Rouge are unpopular and the rate of defection among government soldiers has been relatively high this year.

It does not mean that soldiers defected to the Khmer Rouge. "They usually go back home, or roam around in search of food and money," said a diplomat.

Some military experts believed that this year the RCAF could do better because of the training provided by several countries and the new equipment, often bought from former socialist countries which have an oversupply.

But the Khmer Rouge offered tenacious resistance and, as usual, landmines have proved to be the worst and most dangerous obstacle. Reinforcements from the navy and the police from several eastern provinces were slow to come and most men very reluctant to fight.

"Many soldiers said Cambodia is now at peace, that the Khmer Rouge is only a small group, not very dangerous any more, and that it is not worth dying," said a doctor who has treated many wounded soldiers.

During the offensive, the Khmer Rouge usually operated in small bands, and were active on Routes 10 and 5 with the aim of disrupting supplies sent to the front line.

Most military experts questioned believe the Khmer Rouge has no more than 4,000-6,000 men left to fight.

"But they know the terrain better than anyone else, and they are very determined soldiers," said a military source.

The amount of Khmer Rouge casualties is unknown. The Khmer Rouge usually tries to avoid large-scale confrontations to avoid big losses.

But the problems faced by the troops at the front were only one of the reasons why the offensive was aborted. Several sources said the government, or at least CPP leaders were disturbed by a series of potentially dangerous domestic problems.

There have been many rumours of tension between the CPP and the former FUNCINPEC[National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia]/ANKI (National Army of Independent Kampuchea) troops.

The threat by First Prime Minister Prince Norodom Ranariddh to leave the coalition government, if the FUNCINPEC was not given more positions at district and village level, has certainly worsened tensions.

Mr Hun Sen said it was out of the question to dissolve the National Assembly and have early elections, should the FUNCINPEC leave the coalition.

Observers now wonder about the attitude of the ex-ANKI soldiers should the FUNCINPEC be in the opposition.

Mr Hun Sen said district and local jobs were not covered by the United Nations agreement on power sharing. The FUNCINPEC would be given only new positions when they become vacant.

Already some FUNCINPEC leaders were talking of a possible armed confrontation with the ex-CPP military and police forces, while CPP members and Mr Hun Sen were denouncing a new "FUNCINPEC-inspired" plot.

Mr Hun Sen claimed that five FUNCINPEC leaders were involved in the plot but gave no names.

The idea of sharing power in districts and villages had been promoted by Prince Norodom Sirivut when he was secretary general of the FUNCINPEC.

Prince Sirivut, who lives in exile in France, has been accused of plotting to kill Mr Hun Sen and, without much evidence, was sentenced to 10 years' jail.

Most diplomats and observers in Phnom Penh believe tension will continue until the local and general elections in 1998, after which there is likely to be only one prime minister.

Cambodian Government Reportedly Halts Offensive Against Khmer Rouge

BK2304093996 Hong Kong AFP in English 0854 GMT 23 Apr 96

[FBIS Transcribed Text] Phnom Penh, April 23 (AFP) — The Cambodian government has suspended its dry-season offensive against the Khmer Rouge guerrilla faction in the country's northwest as the monsoon season begins, military officials said Tuesday.

The two-pronged offensive — against Phum Kla Ngoap (Dead Tiger Village) in Banteay Meanchey province and Pailin in Battambang province — was halted before either of the targets were captured, they said.

Though Phum Kla Ngoap and Pailin remain in Khmer Rouge hands, government troops have been ordered not to retreat from their positions, which in some cases are less than five kilometers (3.5 miles) from the two rebel strongholds, they said.

"We are not going to move forward because the rains came and created difficulties for our movement," said Ministry of Defense spokesman Colonel Chum Sambat. "But our forces are not retreating and are improving the situation of the captured areas."

Engineering crews building roads and bridges continue to work trying to improve the conditions of supply lines to forward government positions, he said.

"We are not retreating," emphasized co-Minister of Defense Tie Banh. "We will definitely capture Pailin, but let the army do its work in the appropriate time. When the rain arrives, military movement is hard."

Sporadic but fierce fighting continues as the guerrillas, who gain great advantage during the rainy season as the government's heavy equipment gets bogged down, try to dislodge the troops from ground they have taken since the offensive began in mid-January, officials said.

Soldiers returning from the front said aerial bombing against the rebels was continuing.

Military observers said it was unlikely that the government would be able to hold all the ground it had gained, noting troops stationed at forward positions in the jungle often face insurmountable morale and supply problems.

"The weather really hampers transportation and when food, water and ammunition are not consistently supplied, morale plummets and makes it that much easier for the Khmer Rouge to retake lost ground," said one.

Large numbers of government soldiers have abandoned their positions in similar circumstances after offensives in previous years have been stopped short of their goals.

"It looks like the idea is to hold on to what has been gained and move from there when the dry seasons begins again (in November and December)," said another observer.

"It is the same strategy the (government) has used in the past, we're hoping that this year they'll do it a little better than before."

This year's advance on rebel-held territory came as close to Pailin as the government had been to it since it captured the gem- and timber-rich town near the Thai border in March, 1994 but was forced to retreat a month later.

The operation against Phum Kla Ngoap, which abuts the Thai border about 80 kilometers (56 miles) due north of Pailin, put the government closer to the base than it has ever been.

The offensive also saw the first direct attack on Phum Kla Ngoap when a team of commandos parachuted onto the perimeter of the base in January but were repelled and forced to retreat into Thailand.

Both sides suffered hundreds of casualties during the offensive, mainly from landmines, but the government also lost about a dozen troops to the effects of water poisoned by the Khmer Rouge.

Cambodia: Khmer Rouge Reportedly Attacks North of Phnom Penh

BK2304111796 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 22-23 Apr 96 pp 1, 2

[Report by Rosa-Nuon Vichet]

[FBIS Summary] Loek Sam-at, deputy chief of Kandal provincial police, reported on 20 April that Khmer Rouge troops from Division 7-85, which attacked Kouk Dong mound on the night of 18 April, are now temporarily in control of the area. Other military sources have also reported that the Khmer Rouge has intensified destructive activities around Phnom Penh.

Kouk Dong mound, about 50 kilometers north of Phnom Penh in Batheay District, was a former position of Division 7-85; it was seized by government forces in 1994.

According to Loek Sam-at, 50 Khmer Rouge soldiers from Regiments 550 and 530, under Division 7-85, led by Chhin Nai, Noeng Roeun, and Sim, came down from Pongro in Kompong Thom Province to an area in Batheay District where the border of three districts meets. They were planning to celebrate the 17 April victory for three days and three nights there.

According to a police report in Batheay District some Khmer Rouge troops are now only three or four kilometers north of Batheay district office. Citing intelligence sources, the deputy police chief of Batheay District also said that the Khmer Rouge is planning to attack Roka Kaong in Muk Kampul District and Kaoh Chen commune in Ponhea Loe District.

Indonesia

Indonesia: Students Protest U.S. Stand on Middle East

BK2304042696 Hong Kong AFP in English 0340 GMT 23 Apr 96

[FBIS Transcribed Text] JAKARTA, April 23 (AFP) — A group of some 25 Indonesian Muslim students on Tuesday held a demonstration outside the US embassy to protest against Washington's stance in the Hezbollah-Israel conflict, witnesses said.

The students, from the Jakarta Muslim Students Communication Forum, carried anti-US banners and chanted "Allahu Akbar" (Allah is Great), while some 25 security guards, in uniform and in plainclothes milled around.

"We are just showing our stance...we are on the side of the oppressed," the group's spokesman, Jurhum Lantong said.

"America has a double standard," "America should be firm, if they condemn Iraq and Libya, why don't they condemn Israel?" "It is said that the UN security council is part of the United Nations but who has the determining role there? It is the United States," the banners said.

The demonstrators did not try to meet embassy officials and after about 30 minutes walked towards a nearby building which houses several UN institutions.

Police took their banners but allowed them to continue.

Indonesia is the world's largest Muslim-populated nation, with close to 90 percent of its 195 million people following Islam.

The forum, according to Jurhum, represents Muslim students at some 20 universities in and around Jakarta.

Indonesia: Australian, U.S. Demand for More Sea Lanes Viewed

BK2304144596 Jakarta KOMPAS in Indonesian 22 Apr 96 p 4

[Editorial: "Australia and the United States Want Indonesia to Open East-West Sea Lanes"]

[FBIS Translated Text] This newspaper reported at the end of last week that Indonesia had informally offered to open east-west archipelagic sea lanes to Australia. This marked a change in Indonesia's policy because it currently allows foreign ships to pass through three designated north-south sea lanes, namely the Sunda Strait, the Lombok Strait, and the Timor/Moluccan/Arafura Seas. Senior officials of the two countries are scheduled to discuss the issue at a meeting to be held at the Foreign Affairs Department in Jakarta on 23-24 April.

When Foreign Minister Alexander Downer visited Indonesia last week, he informed Foreign Minister Ali Alatas about Australia's wish that an east-west sea lane be opened. Australia wants about 17 combined east-west sea lanes and, among other things, wants free passage through the Java Sea, which is closed to sea traffic.

The essence of the request is to enable unhampered passage by Australia's trade and warships through Indonesian waters and to simultaneously shorten their sailing distance.

The United States forwarded a similar request at a meeting of officials in Bandung in March. The meeting will resume in May. U.S. nuclear warships have a vital interest in Asia-Pacific waters, including the Indonesian archipelago's. Since President Richard Nixon's announcement of the Guam Doctrine, the United States has implemented an offshore strategy under which the United States basically relies on sea-launched ballistic missiles (SLBM) to strike its enemies.

The strategic value of the SLBM's is superior to their counterparts, intercontinental ballistic missiles (ICBM's), the deployment of which is no longer a secret. The SLBM's also have a superior strategic value compared to space-launched ballistic missiles, which are labor-intensive and less efficient to mobilize. The superiority of these nuclear warships is that their presence is difficult for the enemies to trace, and they can easily hide themselves anywhere in the various territorial waters.

For these reasons, the United States and Australia seem to be persistent in their negotiations with us over the right to the sea lanes. Their latest aim is to gain access to Indonesia's east-west sea lanes. In fact, Indonesian waters are strategically located between two continents — Asia and Australia — and between the Indian and the Pacific Oceans.

Indonesia has maintained sovereignty over the archipelagic waters, air space, sea bed, and the natural resources within the archipelago ever since it declared itself as an archipelagic state in 1957. This was internationally recognized through the United Nations Convention on the Law of the Sea (UNCLOS) in 1982.

The archipelagic state concept is significant for our "motherland" because it binds us as a nation.

Although our archipelagic entity cannot be compromised, we also cannot close the sea lanes to the innocent passage of foreign warships. The United States, Japan, and Australia lodged their protest several years ago against Indonesia's closure of its straits to military exercises because they have international navigational rights over the straits under the principle of innocent passage. Such a misunderstanding is a logical consequence of the complexity of the UNCLOS concept, its implementation, and other trivial matters.

To date, the United States still refuses to sign the Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ) Treaty because it deems the treaty to be "expanding territories of sovereignty" in the waters of Southeast Asian nations and is also afraid that it will not gain the right of innocent passage. President Ronald Reagan recognized Indonesia's archipelagic state concept in 1985; in exchange, the government guaranteed safe passage for U.S. ships plying through designated lanes.

We hope that the meeting of U.S.-Indonesian senior officials scheduled for next month will clarify the complexity of innocent passage [preceding two words in English]. The spirit of cooperation, the awareness of the significance of the U.S. military presence in the Asia-Pacific, as demonstrated in the recent Taiwan Straits crisis, and mutual respect are expected to become assets for smooth negotiations.

Indonesia signed a defense agreement with Australia in December 1995. According to the agreement, the two sides will consult each other if the national security of either party is threatened by a third party. The two countries also agreed that they would adopt "joint responses" to counter threats.

Australian Defense Minister Ian McLachlan said in Sydney on 21 April that Indonesia's three designated north-south sea lanes for Australia are not adequate. He said that Australia wants Indonesia to open east-west sea lanes, primarily to allow its ships to sail through the Java Sea. Australia has an interest in ensuring the mobility of its warships in waters around its two strong allies, Malaysia and Singapore, as well as in the South China Sea.

We feel that the demand by our two friends, Australia and the United States, that the east-west sea lanes be opened, is interesting enough to be closely followed as part of efforts to understand the evolution of our foreign policy.

Indonesia: Exiled Academic Views Nuclear Reactor Plan

BK2204114496 (Internet) INDONESIA Listserv in English 21 Apr 96

[Interview with Dr. George Adicondro, Indonesian academic currently in exile in Australia, by Shane Hopkinson of GREEN LEFT Weekly — place and date not given]

[FBIS Transcribed Text] [Hopkinson] In January, the Indonesian government announced that it was going to build its first nuclear reactor. Why did this announcement come as such a shock?

[Adicondro] Because even within the government itself there has not been a consensus about this issue. It is not really the statement of the government, but of the Indonesian Atomic Energy Agency (BATAN). Every time the nuclear snake raises its head, people have been attacking it and then the government, sometimes the minister of research and technology, Habibie, sometimes the president himself, will say that nuclear energy is just a last resort and other government spokespersons say that we would not build it if the people do not agree with it.

This statement from BATAN was quickly followed up by the minister of research and technology saying that Indonesia would not obtain tenders for the project but had already made a commitment to Canada for the building of the reactor. This has caused a new series of debates.

[Hopkinson] What are the legal guidelines about the tendering process?

[Adicondro] Even prior to the tendering, there is an environmental procedure to be fulfilled, an environmental impact assessment, but this has not been done. There is a chicken and egg situation. How can you do an assessment if you do not know what kind of reactor is going to be built, and on the other hand, how can you tender if you don't know if it will get an environmental green light?

The pro-nuclear lobby, which consists of BATAN, Habibie, who also heads the Agency for Technology Assessment and Development (BPPT), and the head of the Science and Technology Commission of the parliament, are trying to get the president's blessing for it and so be able to avoid the environmental procedure as well as the tendering procedure.

[Hopkinson] Who stands to gain from the flouting of these procedures?

[Adicondro] Nearly all ministers have links with the business community, especially through their children. The major example is Suharto. The Suharto family, the Ahimsa family (Ahimsa is director of BATAN) and the Habibie family are quite extensively involved in all the businesses dealing with the agencies headed by Habibie.

It is also the practice that anything to do with sophisticated technology has to get BPPT approval, and that means that they can hint that contracts will be approved if the business goes to a particular dealer or contractor.

BATAN and BPPT are strongly infected with conflicts of interest. The son of the current BATAN chief has for the last five years directed one of the three gamma radiation companies licensed by BATAN. He and his brother are major shareholders in a joint venture with the American firm SteriGenics. Habibie has family connections to over 50 companies that do business deals with numerous agencies headed by Habibie.

Some of these companies have joint ventures with conglomerates owned by Suharto's children and their spouses. His sons do business with German steel makers who in turn require Habibie's approval for contracts from the Indonesian state steel manufacturer.

Habibie's niece is the BPPT's deputy chief and is responsible for a prestigious joint venture with major Australian research institutions. Habibie's brother is secretary to the director of sea communication, who bought a 10-year-old junk ship from Japan for the Indonesian government for $8.5 million; this deal only became public because the ship sank, killing 775 of its 1154 passengers.

[Hopkinson] What about the military? Are they in favour?

[Adicondro] Strangely enough, the military are divided. The military see BPPT as an agency with so much power that they have established their own version of it, the BPPIT (Industrial Technology Assessment Agency), and they haven't given the project their blessing.

I think some factions in the military are also concerned about the level of social protest that the project may cause and also the dependency on overseas uranium.

Once again it is Habibie who has overseen the growing links with the Australian military, which currently spends $3.2 million to provide "world class military training" in as many as 50 different training institutions, as well as supplying weapons and technology.

Other factions in the military would love Indonesia to have a nuclear reactor. Even though it is for "peaceful" purposes, it is clear that the division between civilian and military uses no longer applies.

[Hopkinson] Is Australia likely to be a supplier of uranium for these reactors?

[Adicondro] This a possibility because ERA, which is the big uranium miner at Ranger and Jabiluka in the Northern Territory, has joint ventures with Kansai, the Japanese nuclear electricity suppliers, and Kansai has its daughter company doing the feasibility survey for Indonesia. Kansai senior management has a place on the board of ERA.

[Hopkinson] You've described this decision as an ecological, economic and constitutional disaster. What are the likely effects on the Indonesian people of building these reactors?

The local people will most likely lose their land and their waters, because this is a coastal area in which people farm or fish. Villagers who live within 10 kilometres of the proposed site will have to be evicted; this could be as many as 30,000 people. The local fishing industry will be affected, and there will be a fairly cheap compensation for their land, as in other similar projects in central Java. The clearing of the site will push tonnes of soil into the ocean, which disturbs the breeding cycle of the local milk fish.

Even if they can move several kilometres from the reactor site, the people are still living at risk, and not only the risk of radiation. The amount of cooling water needed is astronomical; the risk of thermal pollution means that they will lose their fishing industry, sending thousands of workers into the streets.

The Indonesia Environmental Forum conducted as poll which showed that 77.7 percent of Indonesians were opposed to any nuclear power plants in Indonesia; 48 percent want a national referendum on the issue.

[Hopkinson] What protests have there been in Indonesia about this and what has been the government's response?

[Adicondro] Just like the planned voyage of the Japanese plutonium ship triggered student demonstrations and anti-Japanese demonstrations in Jakarta, in university towns in Sumatera and all the way to Lombok in South Sulawesi, so protests may happen once it is clear that Suharto has given it a green light.

The groundwork has already been prepared for opposition by the Indonesia Environmental forum (WALHI) and by the Indonesian Anti- Nuclear Society (MAI), which covers a wide range of citizen groups. Also Wahid, leader of Nahdlatul Ulama, the largest Islamic organisation, whose members live in the peninsula and will be affected, has threatened to lead his 20 to 30 million members on a hunger strike against the project.

By linking the issue to uranium mining - the most probable site is in West Kalimantan, where 4000-10,000 tons of uranium have been identified - it can also raise support from the pro-Dayak people and the anti-deforestation movement in Kalimantan. It can link with the same movement in Sarawak, because the Dayak people migrate and have family and business connections with Sarawak, so the same people in Malaysia who have been supporting the Penan people may also support the Kalimantan Dayak people against uranium mining.

The official debate is accompanied by "unofficial" harassment of anti-nuclear activists. These activists have been prevented by police from attending public forums. One senior physicist has had his solar energy research facility bombed.

Indonesian Government Asked for Infrastructure Regulations

96SE0057A Jakarta BISNIS INDONESIA in Indonesian 11 Mar 96 p 5

[FBIS Translated Text] Jakarta (BISNIS)—Fadel Muhammad, president director of the Bukaka Group, says that, following the issuance of INPRES [Presidential Instruction] No. 2/1996 regarding the automotive sector, the government needs to issue an INPRES on infrastructure.

"An INPRES on infrastructure needs to be issued immediately, because that sector, like the automotive sector, is a major drain on the country's foreign exchange through imports of goods that actually can be produced by domestic industry," he told BISNIS in Jakarta last week.

According to Fadel, the government needs to issue such a regulation because there are still many other imports of manufactured products, besides automotive products, that are causes of foreign exchange waste.

Infrastructure, however, is the most pressing sector and needs to be given priority, he said.

"Of the many imported infrastructure products, electricity generators and heavy equipment that can be used repeatedly in the long term need to receive top attention from the government," he added.

Highlighting the impact of INPRES No. 2/1996, Fadel said that the extensive response of the people to the new regulation shows a new awareness by the government and the public of the need to bring the nation's self-sufficiency in technology and domestic industry to more maturity.

What is even more important, he said, is that the people begin to realize that so much Indonesian foreign exchange is being drained by imports.

"Just picture it: More than 3 trillion rupiah in foreign exchange, which, we should note, are subsidized by the people, are being drained by the automotive industry every year."

Last week, a meeting of the Work Team for the Evaluation and Study of High-Cost Economy, under the Indonesian KADIN [Chamber of Commerce and Industry], studied factors causing the high-cost economy.

The work team's evaluation was that duplicative charges and fees represent one of the reasons for inefficiency and a high-cost economy.

Good Prospects Seen for Use of Next Indonesian Satellite

96SE0056B Jakarta BISNIS INDONESIA in Indonesian 28 Mar 96 p 5

[FBIS Translated Text] Jakarta (BISNIS)—Arianespace has received orders this year for the launching of 41 satellites, including two from Indonesia, and the Palapa C-2 transponder satellite to be launched by the company on 15 May has a sales target of 70 percent.

Philippe Berterottiere, Arianespace marketing and sales director, said customer confidence, the company's reputation, and expansion of the world satellite business have had a positive impact on Arianespace's business.

"As of March, we have been able to win launch business worth 16.4 billion francs, or about $3.3 billion," Berterottiere said in Jakarta yesterday during a break in a workshop entitled "Prior to the Launching of Palapa C-2 by Ariane."

He said that orders include five from Asia.

Specifically for Indonesia, Ariane will launch Palapa C-2 (on 15 May) and the Indostar satellite, estimated to be worth $130 million.

Economic growth, particularly in the Asia Pacific area, and the desire of every country to have rapid telecommunications "have had a beneficial impact on the satellite launching business," he added.

He said that the ASEAN region alone is a potential target for the telecommunications industry, including satellites.

"ASEAN specifically, and Asia in general, will have a satellite boom,'" he predicted.

Meanwhile, Retno S. Renggana, general manager of PT [Limited Company] Satelindo, said that the Palapa C-2 satellite, which has 34 transponders, is expected to be 70 percent sold by the end of the year, although it will be only a support for its twin, Palapa C-1.

"God willing, Palapa C-2 will be launched smoothly on 15 May," Retno added.

As for Palapa C-1 (which has battery problems), Retno said that 90 percent of its transponder capacity has been sold.

He said that a number of domestic companies and Singapore private companies have been discussing the leasing of transponders from Satelindo. "Domestic companies alone have ordered five transponders," Retno said.

He declined to mention the names of the domestic companies, however, saying only that "some of them operate in the field of international banking and trade."

At the official price ($1.43 million per transponder per year, according to government regulation) and an assumption that most of them will be leased domestically, PT Satelindo could receive $32.89 million to $34.22 million per year from the leasing of 23 or 24 transponder units.

For foreign leases, according to information given by Sahala Silalahi, PT Satelindo system director, the company has set rates of $2.5 million to $3 million per transponder per year.

He said he is aware that competition for transponder lease services in the Asia Pacific region will be sharper in the future, because satellites in the same class are looking for markets in this area. The cost of transponder leasing in the Asia Pacific region is from $1.8 million to $7 million.

Competitors include the Asiasat, Panamsat, APStar, and Mabuhay satellites, as well as others. "We depend entirely on experience, since we were the first to offer these services," Retno added.

As for possible increases in lease rates, both Retno and Kanaka Hidayat, satellite operations general manager, said that "it is not my prerogative to discuss that."

It has been rumored recently that the government is preparing a regulation on raising transponder lease rates. Its announcement is expected after Palapa C-2 becomes operational.

Stricter Indonesian Minimum Wage Regulation Planned

96SE0056C Jakarta BISNIS INDONESIA in Indonesian 28 Mar 96 p 8

[FBIS Translated Text] Jakarta (BISNIS)—The government plans to revise the penalties for UMR [regional minimum wage] violations, as provided in chapter V, article 14, of the 1966 Regulation of the Minister of Manpower, because the penalties are deemed too light.

L.E. Lubis, director general of wages and social insurance at the Department of Manpower, said that the penalty for UMR violations (as provided in article 17 of Law No. 14 of 1969) is up to three months in prison or a fine of up to 100,000 rupiah.

"Those penalties need to be revised. Article 14 will be revised by considering various aspects," he told BISNIS in Jakarta yesterday.

Lubis was not prepared to state a schedule or give details of the new penalties (results of the revisions) for UMR violations. "It would not be ethical to mention them in advance, but it is definite that the article will be revised."

He said the revision of the article is being discussed in the State Secretariat. The DPR [Parliament] will then be asked to confirm it.

He spoke during breaks in the National Seminar on Wages, held by the Indonesian Manpower Foundation and the Economics Faculty of Pancasila University. The seminar was attended by about 100 participants from various groups.

He said that the penalties for UMR violations as provided in article 14 are still felt to be relevant. "Do not look at the size of the fine, because it involves the prestige of a company or its manager."

No matter how small the penalty, Lubis said, it will affect the "name" of the company (or manager).

Moreover, he said, the Department of Manpower also plans to announce the names of companies that violate manpower regulations, particularly the UMR.

He was not prepared to cite the number of UMR violations in 1996. "Clearly, revision of the penalties is expected to improve employer awareness of the need to comply with the UMR."

Commenting on requests to postpone payment of the new UMR, Lubis said such postponement is appropriate.

"That is their (80 employers) right, but the decision is in the hands of the minister of manpower," he said.

It is covered, he said, in chapter IV, article 10 (paragraphs 1,2, and 3), which relate to implementation of UMR provisions.

Within three months, the minister of manpower (as in article 11) is required to reply in the form of denial or approval of the employer's request for postponement.

The time limit on an employer's request for postponement of a new UMR is no later than one month prior to the time the directive takes effect.

"While the request for postponement is still in process, the company will continue to pay the UMR set for the previous year (old UMR). A request is deemed granted if the reply from the minister of manpower/Department of Manpower comes later than three months after receipt of the request," he said.

He said that there are five steps in the procedure for deciding the UMR:

Survey and analysis of minimum living requirements (KHM) (by the Wage Commission of the Regional Manpower Council). %Submission (after deliberation) to the governor of each province for approval. %Submission to the minister of manpower (after approval by the governor). %Request for the approval of the DPPN (National Wage Research Council). %Issuance of a directive by the minister of manpower (after considering the results of the DPPN's study). If necessary, the nominal amount of the UMR may be increased.

Indonesia: Credit Limits Set for Indonesian Banks

96SE0057B Jakarta BISNIS INDONESIA in Indonesian 25 Mar 96 p 3

[FBIS Translated Text] Jakarta (BISNIS)—The Bank of Indonesia [BI] has set a 17.2-percent credit limit for domestic banks in 1966. With regard to this regulation, many people are asking about the system for operational oversight of banks.

This is in connection with sanctions that are to be imposed on banks that violate this regulation.

A regulation without clear sanctions means nothing. Although the BI has established a 17.2 percent credit limit, banks will possibly continue to expand as they please.

The BI does its monitoring though credit plans contained in the annual work plan of each bank. If the BI sees that a bank's work plan is not consistent with the bank's capabilities, the central bank does not hesitate to trim the planned credit expansion.

A bank whose credit expansion plan has been trimmed must correct the plan.

Mukhlis Rasyid, credit director of the BI, said that he is obligated to correct a work plan when, according to BI evaluation, the bank's credit expansion is too large. A correction must be based on an evaluation conducted by the BI, and the bank must make a new, revised plan.

Such a bank must conduct its 1996 business operations according to the revised plan worked out in cooperation with the BI. The BI will periodically monitor the bank's operations and credit activities. A review will be made every three months.

"The BI will impose sanctions on a bank that commits a violation," Mukhlis said. Such sanctions will not be in the form of fines or administrative sanctions but will be reductions in resources, such as rights to use facilities afforded by the BI.

A bank that violates credit expansion provisions may find it more difficult to obtain SBPU's [money market certificates] from the BI when it needs more funds. In addition, a sanction may be considered when the bank in question applies for promotion to the status of foreign exchange bank, permission to open new branches, or other things related to its resources.

Earlier, BI Governor Soedrajad Djiwandono had stressed that government action to limit bank credit expansion will be taken against banks without strong capital. The purpose of this is to ensure that existing banks can expand and conduct their business according to their capabilities.

Banks without strong capital must reduce their credit expansion, because excessively forced credit expansion will cause banks to compete for funds from the public.

Tight competition for funds from the public will cause interest rates to rise. Higher interest rates are unpleasant for everyone, for the banks themselves as well as for the business community.

Temporary

Trenggono Purwosuprodjo, general chairman of PERBANAS [Association of Private National Banks], feels that the brakes being put on credit expansion by the BI are temporary. This action is temporary and for the short term to lower the temperature of the national economy.

"When the economy has cooled off again, the BI's policies will be more relaxed," he said.

The BI has also put the brakes on bank credit expansion by activating existing monetary mechanisms. The BI has raised the reserve requirement in the form of a minimum required deposit of 3 percent, computed as a daily average.

This policy will make banks place their funds in the BI and thus reduce funds for bank credit expansion. The policy will also reduce the volume of money in circulation for the sake of controlling inflation.

By putting the brakes on bank credit expansion and increasing the minimum required deposit, there will be a narrowing of funding demand by the real sector. The purpose of this is to cool off the economy.

Trenggono said that if a bank conducts massive credit expansion, it will affect the domestic inflation rate. On the other hand, putting the brakes on credit expansion will affect bank profits.

"Instead of high inflation, which would cause everyone to suffer, it is better for the BI to put the brakes on bank credit expansion. A bank's soundness is not measured by its profits alone, for many other factors have an effect on it," Trenggono said.

Besides being able to gather large amounts of money, the principal director of Bank Utama continued, banks must have high-quality productive assets, guaranteed liquidity, and reliable management.

It is hoped that the actions taken by the BI to cool off the economy will not affect long-term economic growth. In the short term, however, there is no other way.

Interest Rates

Trenggono also said that interest rates, as a reflection of the cost of borrowing money, are affected by several internal (domestic) and external (foreign) factors. At the micro level, credit demand exceeding supplies of funds can result in higher interest rates.

"This has a hurtful impact on macroeconomic policy. In this matter, banks have an important role in ensuring balance," he said.

On the other hand, at the macro level, interest rates are one of the instruments for regulating the flow of money.

Because of the recent heating up of the economy, as reflected in higher prices, real interest rates need to be maintained carefully so that there will not be a transfer of funds overseas.

The current high interest rates are merely for the duration of the process for cooling off the economy. When inflation has been controlled, and the trade balance is brought to equilibrium again, interest rates will naturally be easy to reduce, consistent with developments in the industrialized countries.

Productive Credit

A private sector banker added that in the government's actions to cool off the economy, it would be best if the BI did not set credit limits, because this will affect economic growth.

The step that the BI can take is to permit credit when it is for productive sectors. No matter how great the expansion of credit, when it is for productive sectors it will have a positive impact on economic growth.

"What needs to be given the brakes is credit for the consumption sector, because that affects inflation. Indeed, the BI must closely monitor and supervise credits to the productive and consumption sectors," he said.

The size of Indonesia's current account deficit is a result of expanded credit for the consumption sector. Therefore, if the consumptive sector can be restrained, it will have a good impact on economic growth.

BI Director Heru Supraptomo said that from the micro aspect the flow of credit to the consumption sector is quite good, in that it provides profit to the banks involved. From the macro aspect, however, it has an effect that is not good.

"From the macro aspect, the expansion of credit for the consumption sector will have a part in increasing the current account deficit," he said.

Mukhlis explained that the BI's overall credit expansion limit of 17.2 percent encompasses limits on credit expansion for the consumption sector. The BI limits credit for sectors that are saturated and are more oriented to consumption.

Under that credit ceiling, credit growth for the consumption sector cannot exceed credit growth for the production sector.

"Although the ceiling does not put the brakes on consumptive credit, which greatly influences the current account deficit, consumptive credit is implicitly controlled," he said.

Bad Debts

Mukhlis added that a bank with bad-debt burdens must first concentrate on resolving the problem. With unsound conditions, it is dangerous to conduct large credit expansion, because the burden becomes increasingly great. The bank must work on rectifying the bad debt situation, while simultaneously conducting credit expansion.

In its effort to put the brakes on credit expansion by domestic banks, the BI has set a top credit ceiling of 17.2 percent for those banks. That figure is to be applied proportionally rather than evenly, however.

Banks with poor levels of soundness will be compelled to expand credit at less than the national credit expansion rate.

On the other hand, banks with good levels of soundness can expand at rates above that figure. Top-level banks are permitted to expand at about 15 percent, but top-level banks may expand at rates greater than the domestic bank credit expansion figure, consistent with the capability of each bank.

When comparing big banks and small banks with the same level of soundness, the BI will give permission for greater credit expansion to the small ones. The BI takes this action for the sake of even distribution, so that small banks will not be increasingly dwarfed while the big banks become giants.

Soedrajad stressed that the BI is not setting a credit ceiling on domestic bank credit expansion but is calling on banks to expand credit according to their individual capabilities.

"If the BI did not put on the brakes, domestic bank credit growth for this year could be greater than 20 percent," he said.

The BI has taken this step so that existing banks can conduct their operations according to their soundness, amount of money on deposit by the public, and capital.

It is better for a bank to reduce its expansion but remain sound than to conduct expansion while being unsound. "Efforts to make domestic bank conditions sound is the duty of the BI," Soedrajad said.

Indonesian Company Named Supplier for National Car

96SE0056A Jakarta BISNIS INDONESIA in Indonesian 28 Mar 96 p 1

[FBIS Translated Text] Jakarta (BISNIS)—PT [Limited Company] Timor Putra Nasional has approved the Bukaka Group as a component supplier for the "Timor" national automobile.

Fadel Muhammad, head of the Bukaka Group, said that the owner of PT Timor has approved in principle his group as a supplier of components for production of the Timor car.

"Therefore, we will be sending engineers to South Korea to study components made by Kia Motors," he said here yesterday during a break in business meetings between the Department of Industry and Trade and the business community.

Fadel acknowledged that he had approached Hutomo "Tommy" Mandala Putra—owner of PT Timor—about cooperation in the supply of components. Bukaka is ready to supply transmission components, forgings, and castings. These three types of components have already been exported to Japan, among others.

He said that the Bukaka Group will invest from $20 million to $30 million for making components for the Timor car. These components will be produced at the Bukaka plant (at Cileungsi), and there is a possibility that they may be made in a plant owned by PT Timor.

He is expecting to make these components for the Timor car in the long term. Therefore, he said he is not sure that the components will be used for the first auto production in September.

According to stipulations, PT Timor must fulfill a 20-percent local content in the first year, 40 percent in the second year, and 60 percent in the third year. If these local-content conditions are not met, PT Timor must pay luxury goods sales taxes and pay import duties under applicable regulations.

Earlier, the Association of Automobile and Engine Parts Industries (GIAMM) had asked the government to abolish import duties on raw materials used in making automotive components. According to GIAMM General Chairman A. Safiun, the Department of Industry and Trade has approved the recommendation, and it is awaiting a decision by the Department of Finance.

"To develop the component industry, the government must adopt policies for abolishing import duties on raw materials such as steel plates, resin chemicals, and alloys," he said.

It was learned that in a meeting on 26 March among the GIAMM, PT Timor directors, and the director general of IMLK [expansion unknown] of the Department of Industry and Trade, PT Timor agreed to provide the specifications for the needed automotive components.

Philippines

Philippines Police Official: MNLF Recruiting Members in Palawan

BK2304072296 Manila PNA in English 0938 GMT 22 Apr 96

[Received via Internet]

[FBIS Transcribed Text] Batangas City, April 20 (PNA) — The secessionist Moro National Liberation Front (MNLF) is now engaged in massive buildup and recruitment of new members in Palawan.

This was disclosed by Police Supt. [Superintendent] Domingo Reyes, Jr., chief of staff of the Philippine National Police (PNP) 4th Regional Command, during the Southern Tagalog Regional Peace and Order Council [RPOC] meeting held here.

Reyes told RPOC Chairman Gov. Epimaco Velasco and other council members that the MNLF is now recruiting even non-Muslims in Palawan, especially in the southern part of the province.

He added that right now, the MNLF has at least 160 regular members in Palawan.

Reyes said that the communist New People's Army (NPA) still remains a potent threat in the Southern Tagalog area.

According to Reyes, the NPA has 490 regular members operating in Laguna, Batangas, Quezon three weeks ago, the NPA has adopted a low profile in the region. [statement as received]

Reyes pointed out that except in the Bondoc Peninsula area, the government's counterinsurgency operations are now handled by the Philippine National Police.

Philippines: New General Santos City Airport Opens

BK2204090496 Manila BUSINESS WORLD in English 22 Apr 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Gen. Santos City — The first commercial passenger aircraft, Philippine Airlines Boeing 737, landed at the new General Santos City (GSC) International Airport at Tambler last 12 April, carrying 121 passengers from Manila.

The plane reportedly left Manila at 5:50 a.m. and landed here at 7:35 a.m. Sprinter Elma Muros Posadas, who coaches the National Capital Region track and field team for the Palarong Pambansa (national games) was among those in the maiden flight to the new airport. Elma, whose husband is a local resident, the youngest son of former city health officer Dr. Gervacio Posadas and city official Alice Posadas, was quoted as saying, "The landing was good... maganda kasi ang runway (because the runway was smooth."

President Ramos landed here last 5 March to test the newly completed runway. The airport was funded jointly by the Philippine Government and the United States Agency for International Development (USAID) under the Mindanao Development Project. The entire Cabinet and USAID officials were on hand to witness the landing of Mr. Ramos's airplane for the regional Cabinet meeting.

Thailand

Thai Official on Refugee Screening for U.S. Resettlement

BK2004120496 Bangkok Radio Thailand Network in Thai 0530 GMT 20 Apr 96

[FBIS Translated Text] Khachatphai Burutphat, deputy secretary general of National Security Council, disclosed that Thailand is still sheltering 6,689 Lao refugees — 5,852 at the Na Pho center in Nakhon Phanom Province and 837 at the Sikhiu Center in Nakhon Ratchasima Province. In addition, there are 5,054 Vietnamese refugees living at the Sikhiu Center. So far, 23,865 Lao refugees have been repatriated to Laos. Meanwhile, the Thai Government has allowed the United States to screen Lao refugees from 1 April to 30 September for resettlement in that country.

He said Lao refugees who do not want to return to Laos have been informed to submit their request for U.S. resettlement expeditiously, before the end of September.

As for the Vietnamese refugees, the government has so far sent 12,058 Vietnamese refugees back to Vietnam. As a result of the implementation of the new policy, Vietnamese refugees, after returning home, can still apply for U.S. resettlement for reunion with their relatives and family members in the United States. Vietnamese refugees are therefore asked to quickly return home under the repatriation program so that they can reapply for U.S. resettlement.

Thailand: Australia's Downer Views Regional Issues

BK2304100896 Bangkok BANGKOK POST in English 23 Apr 96 p 4

["Excerpts" from speech by Australian Foreign Minister Alexander Downer: "Australia, Thailand and the Region: a Long-term Partnership," delivered in Bangkok on 22 April]

[FBIS Transcribed Text] The first thing I would like to do is give an unequivocal message that closer engagement with Asia is the Australian government's highest foreign policy priority. The primacy we place on Australia's relations with Asia is underpinned by both strategic and commercial considerations.

Australia's prosperity and that of our neighbours depends on our mutual economic growth and development. Our region is important because, in today's world, security must be cooperative.

Most importantly, Australia embraces the region not only because we are neighbours but because we are also friends.

I should say that our policy of "Asia First" does not, of course, mean "Asia Only". There is nothing unique or mysterious about this. Australia, like Thailand, has global interests. Like Thailand, our trading and strategic links go beyond this region to include the United States, Europe and elsewhere. Like our regional neighbours, giving priority to our immediate region does not mean we can't have good relations with anyone else.

Policy Directions for Australia

The coalition government will build on the foreign policy foundations and traditions (dating back to Richard Casey, Australia's foreign minister from 1951 to 1960, who pioneered Australia's modern relationship with Asian neighbours).

First, we are committed to the further development of existing regional economic structures.

Australia is committed to ensuring that the Asia-Pacific Economic Cooperation (APEC) develops as a non-discriminatory trading organisation. The Australian government will pursue this by working with its regional partners, including Thailand, to give substance to the 1994 Bogor Declaration and the 1995 Osaka Action Agenda. To that end, we are currently developing our Individual Action Plan for presentation at this year's APEC meeting in November at Subic Bay.

Although APEC's fundamental purpose is economic, it will also contribute to our efforts to enhance regional stability. Informal multilateral consultation and dialogue enables governments with widely different political agendas to exchange views and to develop a custom of consultation on regional issues.

In addition, we recognise the continued importance of the ASEAN Post-Ministerial Conference as a forum to bring together all the ASEAN countries and the other major regional players to discuss global and regional issues.

The government will develop dialogue on an AFTA/CER link (ASEAN Free Trade Area/Closer Economic Relations Australia-New Zealand). We want to carry the ASEAN-Australia relationship forward into new mutually beneficial areas.

We also encourage greater private sector links within ASEAN. In particular, we recognise the important role business councils can play in building links between firms throughout the region. Business is done by business, not governments. So the role of vigorous business associations is vital-both between countries and at home.

Second, the government is committed to strengthening regional security mechanisms through bodies such as the ASEAN Regional Forum. ARF provides the principal avenue for security dialogue in the region.

Australia wants to see ARF evolve into a body that contributes positively to the resolution of tensions and, through its adoption of practical cooperative measures, to understanding and confidence among regional countries.

Australia, therefore, will continue to contribute actively to the development of APEC and ARF. Those structures are central to building trust, a sense of shared interests and a sense of shared responsibility. These are essential for sharing the region's economic prosperity and security.

Like Thailand, the Australian government strongly supports active US engagement in the affairs of the region. The US presence is central to regional security. The US is the region's balancing wheel arid overwhelmingly a positive force for regional stability.

The Importance of Bilateral Relations to Regional Policy

The third key element of our approach to regional policy is an emphasis on bilateral relations. The government recognises that the strengthening of bilateral relations is an essential element in enhancing Australia's commercial and strategic interests. Strong bilateral relationships are critical to a successful regional policy. We propose therefore to give greater emphasis to them.

Within ASEAN, the government's focus on strengthened bilateral relations will be aimed at advancing not only our own economic and security interests, but also at improving the overall quality of our contacts and cooperation with individual ASEAN member countries.

This government recognises the fundamental importance of increasing Australia's share of bilateral trade and foreign direct investment in this region.

The economic importance of strengthened bilateral relations is clear. The extraordinarily fast pace of economic change has altered the regional landscape dramatically and, with it, our relations with individual countries. The APEC region is now Australia's most important trading group. Six of Australia's top 10 trading partners are countries within Asia. This change presents great opportunities for Australian business.

Closer bilateral relations therefore provide the basis upon which regional security structures and regional trade and investment arrangements can be made more effective.

Australia's Relevance to the Region

Australia is a predictable, friendly country which is intrinsically politically stable. We are rich in natural resources, we have the most sophisticated education system in the region as well as excellent training resources and facilities and our technological base is highly developed.

Australia is a natural partner for other countries in the region and it is as much in the interests of our regional neighbours to embrace Australia as it is for Australia to embrace the region.

A perception of the East Asia Pacific as a region which excludes Australia and New Zealand in inherently weaker than a perception which includes us.

Our broader region needs to maximise the resources available to it. Recognising Australia and New Zealand as part of the region, including at an Asia-Europe Summit meeting, is to maximise those resources.

For our part, we recognise that Australia must also do more to increase our own competitiveness. This will involve increasing the depth and pace of microeconomic reform, lifting our savings rate and injecting greater discipline into our macroeconomic performance.

The government is committed to labour market reform and to further reforms in shipping, the waterfront, transport and communications.

We see a strong domestic economy and increased international economic competitiveness as key foundations of effective relations with our neighbours, like Thailand.

Relations with Thailand

Areas of particular opportunity for Australian business in Thailand include education, trade, tourism and investment. Thailand's 60 million people, especially the rapidly expanding middle class, are providing new markets for Australian goods and services.

Australia is Thailand's fastest-growing student destination, now ranking second behind the United States. Merchandise trade grew by 22 percent in 1995 and Thailand was Australia's second fastest- growing market for exports of elaborately transformed manufactures.

Thailand is already one of Australia's fastest-growing tourism markets. In other areas, the high demand for skilled labour, new technologies, energy, raw materials and physical infrastructure is providing new trade and investment opportunities for Australian companies.

The capacity and willingness of Australian business to take full advantage of these opportunities is fundamental to Australia's economic growth and to the success of our relations with Thailand.

Commercial relations are already good but we think they could be much better. The government encourages Australian business to look more closely at Thailand. Similarly, we encourage Thai business to look more carefully at the opportunities offered by Australia. Of course, there is more than business to the regionalism.

Above all else, it is people-to-people links which give it substance. The experiences of Thai students in Australia and their familiarity with us when they return home provide an invaluable basis for our broader relations.

Equally, we encourage Australian students and business people to spend time in Thailand to familiarise themselves with this country and its culture.

Australia's military links with Thailand also remain very important and will strengthen along with broader strategic cooperation.

As partners in the Cairns Group (of agricultural nations), APEC and the WTO (World Trade Organisation), Australia and Thailand have worked closely to secure multilateral trade liberalisation, particularly in agricultural products.

Australia and Thailand also enjoy a longstanding record of technical cooperation.

The challenge for both Australian and Thai business and government is to build on these foundations to maximise the opportunities to our mutual benefit.

Conclusion

Let me conclude by saying for those of you who may have any doubts, Australia is neither Asian nor European nor American. We are Australians and relate to our neighbours as Australians. In this respect, our approach reflects the views of the previous Australian government as expressed by former prime minister Mr Keating in Singapore earlier this year.

I do not intend to spend any time in debates about what Asia is or whether there are or are not such things as Asian values. I want to get to know the other people who live in our regional village and to work with them for our common benefit.

I have made a beginning on this my first overseas trip as foreign minister by visiting Indonesia, Singapore and Thailand to meet and learn from my colleagues.

Thai Daily Interviews Visiting Australian Foreign Minister

BK2204104396 Bangkok THE NATION in English 22 Apr 96 p A5

[Interview with Australian Foreign Minister Alexander Downer by THE NATION correspondents Kawi Chongkitthawon and Sonny Inbaraj in Bangkok — date not given]

[FBIS Transcribed Text] [THE NATION] Do you believe that you have convinced regional leaders of Australia not changing its policy towards Asia?

[Downer] I think what I have been able to do so far during my trip to Jakarta and Singapore, and I hope to be able to do in Bangkok, is to convince the people that I have spoken to that for Australia, engagement with Asia is our first foreign policy priority. Though we have other foreign policy interests, (Asia) is our first foreign policy priority.

Engagement with Asia is absolutely in Australia's economic and security interests. But Australian involvement in Asia is also in the interests of Asia. And it is not in Asia's interests to have Australia walking away from the region and turning its back on it. Australia is the biggest economy in the region, it's economy is very nearly the size of that of all the ASEAN countries put together, we make a very significant contribution to regional security, we have the best system of education in the region, we are the most technologically sophisticated country regionally, we have excellent training facilities, and we have a stable political system. And because of these, we are the perfect partner.

It's a natural process from which the ASEAN countries, northeast Asian countries and Australia can all benefit.

[THE NATION] How do you rate Thailand in Australia's relationship with ASEAN?

[Downer] Thailand is very important to us. It is a country of 60 million people with the second biggest economy in ASEAN — and a very fast growing one too. We have had long traditional ties with Thailand and a very good political relationship with the Thai government — also for a long time. I expect that to continue. There's a lot of affection towards Thailand in Australia and Australians have a very positive view of Thailand. I don't think there is negative thought in Australia about Thailand.

[THE NATION] Is your main mission here to secure Australia's participation at the next Asia-Europe Meeting (ASEM) in London in 1998?

[Downer] Not at all. That's not my main mission here. My main mission is firstly, because of the change in government, to tell governments in the region including the Thai government that our first foreign policy priority is engagement with the region. And secondly, in each case to reinforce that broad foreign policy objective with our commitment to bilateral relationships and working together in regional forums.

Participation in the second ASEM is an issue I have discussed in Indonesia and Singapore. But I have also discussed APEC and the ASEAN Regional Forum.

I would say the big focus for us is on APEC and maintaining the momentum at the next APEC Summit in the Philippines at the end of the year and ensuring that the ASEM Regional Forum (ARF), as a multilateral framework for security discussions, continues to grow and be a successful institution. The second ASEM is not until early 1998, so it's not a matter of real urgency for us here in April 1996. It's a long way off.

[THE NATION] But are you seeking the support of regional leaders with regard to Australia's ability to participate in London in 1998?

[Downer] We have the support of Singapore and Indonesia. I have spoken to their respective foreign ministers and leaders. And we certainly have their strong support. But it's a long way off. As I said 1998 is a long way off. But we certainly do want to participate. There's no question of that and we'll work towards achieving that.

The reason we want to participate at the second ASEM is that regional representation will be incomplete if Australia and New Zealand are not there. There's nothing to be gained in leaving Australia out and there's nothing to be gained for Australia in staying out. It becomes an incomplete forum if Australia and New Zealand don't participate. Leaving Australia and New Zealand out is like going into a soccer match with an incomplete team. Let's have a complete team so that we can really make the summit meeting work.

[THE NATION] What in your policy towards Asia is different from the previous Labor government?

[Downer] People are always trying to find that out. And they always try to trawl through (John) Howard's words and my words to perceive differences. We don't think that there's anything to be gained by taking a completely different policy just for the sake of it. The Labor Party did not invent the policy of engagement with Asia. That goes back to the early 1950s when Dick Casey was the Australian foreign minister. It is built year-by-year. Yes, the Labor Party put some bricks on the building and we will put a few more bricks on top of that.

It's not really a party political issue.

[THE NATION] What about Australia's support to the ARF? Is it going to continue?

[Downer] Of course. We see the ARF as a very useful institution. We don't want to take security in the broader region for granted.

The history of Northeast and Southeast Asia is not a very peaceful history this century and there has not been much regional security dialogue during that period.

This (ARF) is a new development. Developing the habit of a dialogue about security issues and maybe building on that in time is a very constructive thing to do.

After all, Australia is a major contributor to regional security particularly in Southeast Asia. We have very close defence relations with many countries in the region, including Thailand, and so it is only natural that we should be very supportive of the ASEAN Regional Forum.

[THE NATION] Why is Canberra sceptical about India coming into the ARF?

[Downer] It was (under the previous Labor government). But now the new Liberal National coalition supports Indian membership of the ASEAN Regional Forum. We do support it (India's bid to be an ARF member). That's one example of where we have changed Australian policy.

We think it would be a good idea to have India in the ARF. If India is in the ARF, though, let me say this: We don't want that to mean that the ARF changes its focus and starts debating issues like Kashmir. That's not for all us. We're not focused on Kashmir. But we would like to see India participate on condition that the geographic focus of the ARF is not changed. The Indians must be happy to go along with that.

[THE NATION] Do you think the ARF is moving at a comfortable pace? Do you want to see it moving faster or expanding away from ASEAN?

[Downer] It would be presumptuous for me to answer that question because I've never been to a meeting of the ARF. Gareth Evans (former foreign minister) was the last Australian to have participated in that meeting. I was only in the opposition then.

Let me go to the meeting in July and then ask me the question after that. The ARF hasn't met often but it has made good progress.

As the newest foreign minister on the block it would be rather presumptuous of me now to be telling all the others what to do.

[THE NATION] You talked about previously of a moratorium on the growth of APEC and said that the maximum number of countries in the economic group should be limited to just 18. What are your comments now?

[Downer] No I didn't. I always choose my words very carefully but people don't always exercise care in reporting them. I suppose that's life. If you go into politics you live with that.

What I said was I thought there was a growing consensus amongst the APEC members that the moratorium would be rolled over. But we think that in the short-term if the moratorium is to be rolled over it might be appropriate for a country like India to participate in some of the working groups of APEC. It might be that in due time, India might become a member of APEC. But that's not about to happen immediately because the focus of the next APEC Summit (in Manila) is going to be on individual action plans that will be forwarded there and not on the issue of enlargement. We are not taking a leading position at all on this issue.

[THE NATION] In Jakarta, you said Australia intends to be "constructive" in its discussions with the Suharto government on the issue of East Timor. Can you elaborate on that?

[Downer] Australians feel strongly about what has happened in East Timor over the years. There's absolutely no question about that. What I have to do is to address the issue of how we can encourage a better deal for the people of East Timor.

Some people think that the best thing for me to do would be to lecture the Indonesian government and howl them down and put out nasty-worded press releases. But what is that going to achieve? All its going to do is antagonize the (Indonesian) hardliners and undermine the position of the moderates in East Timor on this issue. I would have thought people who were concerned about East Timor would want me to pursue a strategy which is most likely to influence the Indonesians and not pursue a strategy that was the least likely to influence them.

So that's what I'm trying to do. I've raised the issue with President Suharto and Foreign Minister Ali Alatas. In the first meeting I've ever had with him, I spent about 35 to 40 minutes talking about the issue of East Timor. There's no confusion in the minds of the Indonesian government as to how I feel about East Timor and the priority the Australian government gives to the issue.

I think because we take a constructive approach to it, the Indonesian government is happy to listen to us. If I was just putting out press releases just denouncing them, they'll (Jakarta) just completely ignore us. We'll get nowhere and nobody in East Timor could thank me for doing that.

[THE NATION] How is your government going to deal with the military junta in Burma?

[Downer] The previous government had a policy of "benchmarking" and a policy of not encouraging or discouraging trade with Burma. And at this stage we have no intention of changing that policy.

Thailand: Banhan Backs Australia's Bid To Join ASEM

BK2304034096 Bangkok BANGKOK POST in English 23 Apr 96 p 10

[Unattributed Report]

[FBIS Transcribed Text] Thailand has thrown its support behind Australia's bid to be allowed to take part in the next Asia-Europe summit in Britain in two years' time.

Prime Minister Banhan Sinlapa-acha expressed Thailand's support to visiting Australian Foreign Minister Alexander Downer yesterday.

"The prime minister believes Australia will be able to take part at the next Asia-Europe Meeting, and the Thai Government is ready to support Australia," said a Government House release.

It quoted Mr Downer, who was paying a courtesy call at Government House, as thanking the prime minister.

Mr Downer was in Bangkok on the last leg of a tour of Singapore, Indonesia and Thailand. He took office last month after the defeat of the Labor Party in Australia's federal elections.

Australia had wanted to take part in the Asia-Europe summit at its inauguration in Bangkok on March 1-2, but did not receive the support of some member countries of the Association of Southeast Asian Nations (ASEAN).

The event brought together for the first time leaders from the 15-member European Union and European Commission, the seven members of ASEAN, plus China, Japan and South Korea. A second meeting will be hosted by the UK in 1998.

During the courtesy call, Mr Downer reiterated that Asia remained Australia's foreign policy priority.

He also met separately with Deputy Prime Minister Amnuai Wirawan and briefed him on Australia's economy. According to the release, the two talked about trade and investment, including the new Alien Business Law which is expected to be presented to the Cabinet and National Assembly soon.

During a press conference yesterday afternoon, Mr Downer expressed the hope that at least one Australian bank would be issued with a licence to do business in Thailand.

During a lunch organised by the Thai-Australia Chamber of Commerce and the Thai-Australia Alumni Association, Mr Downer delivered a speech entitled "Australia, Thailand and the Region: A Long Term Partnership."

"I would like to...give an unequivocal message...that closer engagement with Asia is the Australian Government's highest foreign policy priority," he said.

"It is also in the interests of this region for Australia to be fully engaged in it.

"Australia has a great deal to offer....The primacy we place on Australia's relations with Asia is underpinned by both strategic and of course commercial considerations."

He pledged Australian commitment to ensuring the success of Asia- Pacific Economic Cooperation and to strengthening regional security mechanisms through such bodies as the ASEAN Regional Forum [ARF].

"The ARF provides the principal avenue for security dialogue in the region. Australia wants to see the ARF evolve into a body that contributes positively to the resolution of tensions, and through its adoption of practical cooperative measures, to understanding and confidence among regional countries."

Thailand: Australia's Foreign Minister Views Burma Policy

BK2304070796 Bangkok THE NATION in English 23 Apr 96 p A4

[Interview with Australian Foreign Minister Alexander Downer by Radio Australia's Bangkok Correspondent Evan Williams in Bangkok — date not given]

[FBIS Transcribed Text] [Correspondent] How can Australia's policy towards Burma be improved?

[Downer] The previous (Labor) government had a policy of setting benchmarks and took a view that as those benchmarks were met, if they were met, then the Australian Government would gradually liberalize its position towards Burma. And it (Labor government) made the judgment that if a sufficient number of those benchmarks had been met, there could be a significant liberalization.

We haven't changed that position and it's an issue that I want to look at more closely. Obviously at the end of the day what we would like to see is an advance in the process of democratization in Burma and a proper respect for human rights. We don't want to break faith with Aung San Suu Kyi.

So we are sensitive of all those issues. Therefore, we have decided, certainly in these early weeks of the new government, to stick with the previous government's policy which was a commitment I gave to the Australian Burmese community before the elections.

[Correspondent] You don't want to "break faith" with Kyi. What does that exactly mean?

[Downer] Well I think if we were to abandon our (Burma) policy suddenly overnight and adopt a different course, it would come as a surprise to her. She would feel that the Australian Government, and by implication the Australian people, are not prepared to go out of their way to support her. I think the Australian people's view is that they would like to support her and the Australian people certainly support the process of democratization in Burma.

So we are certainly hastening slowly in terms of looking at that issue.

[Correspondent] What's your view of Suu Kyi's future role in Burma? Do you think she'll be running the country eventually?

[Downer] Well it's up to the people of Burma. That's not up to the Australian foreign minister.

The people of Burma did express their views some years ago and they expressed that view very strongly by a sizable majority. That is the reason why Australia is against what has taken place in Burma recently. Subsequently, there has been the implementation of a fairly harsh set of rules by the new regime. There are many reports of human rights breaches coming out of Burma. It's almost daily that these reports are coming out. It's a pretty serious situation.

In the end, the role that Aung San Suu Kyi plays in the future of Burma should be a matter for the Burmese. But at least they should have some say in the matter instead of being denied any voice.

[Correspondent] The benchmarks and that whole policy approach really has failed to do anything. The military junta is ignoring any approach to benchmarks, particularly Australia's approach in the past. Isn't it time for a change?

[Downer] Well I wouldn't rush into a change at this stage because the previous position and still current position is one which represents a strong protest about what's happened in Burma. Obviously to some limited extent Burma is disadvantaged by a country like Australia which is one of the biggest economies in the region — if not the biggest economy in the immediate region — not fully participating economically with it.

But we will look and see what is the best way for the future. We, however, are not about to do that in the next few days.

[Correspondent] Are you indicating that the benchmarks would probably be the way to continue?

[Downer] We are sticking with the benchmark policy until we have the time to look and see whether there is something more effective. It's a fair point you've made, that we have had this benchmark policy for a long time and there hasn't been a major step towards liberalization in Burma.

The ASEAN countries have taken a different path — the constructive engagement path. There is a view in the ASEAN countries that the more Burma is open to the outside world the more Burma can see the patterns of liberalization and the effects of oppression.

But I don't think the Burmese people, judging by the way they voted some years ago, are interested in oppression. And the Burmese people obviously do want the restoration of proper human rights in Burma. I don't think there are any arguments about that.

But you can say the Australian policy has not worked. For that matter neither has ASEAN's policy of constructive engagement.

So the regime still remains a harsh one. Aung Suu Kyi may not be any longer incarcerated in her own house but, nevertheless, she does not have the full liberty that one would hope. She, quite obviously, is not able to participate in the full political process in her country. We've got to keep working at trying to help her and help the process of democratization and liberalization in Burma.

[Correspondent] Is it your view then that Western countries like Australia should get together and actually push the sanctions line that has not really taken off in the past?

[Downer] The difficulty is what I have already said — trying to find a policy which is going to work. I say this in relation to human rights issues such as East Timor. There is no point in pursuing a policy which is definitely not going to work — which is just going to get people's backs up and in some cases prove to be counter-productive.

We've got to develop policies which are productive, which are helpful, and which move these countries, wherever they may be, forward towards a greater respect for human rights where that's necessary.

[Correspondent] Do you include sanctions in there?

[Downer] The history of sanctions is a patchy one. It can be argued that sanctions were successful in the case of South Africa. But that's an argument.

It seems to me that a number of things happened at the same time such as the breakup of communism and the end of the Cold War. These things all had implications for South Africa as it turned out. So it's hard to pinpoint the impact of sanctions.

In other cases, sanctions have been unsuccessful and in some cases it has been counter-productive.

If you look at the history of Burma, the country has gone through long phases of isolation from the outside world. And the Burmese Government, if not the Burmese people seem to have been quite happy to live with that. So I'm not sure whether toughening our policy from benchmarks to sanctions is going to achieve anything at all.

[Correspondent] Do you think Australia is sending mixed messages to the region, as claimed by some leaders? Canberra seems to be hard on Burma and soft on Vietnam and China in terms of human rights.

[Downer] The new government's position is one of consistency. The consistent message from the new Australian Government is that we're practical people seeking practical results. I think often there are people in Australia who would like us to take a harder line on some human rights issues like implementing sanctions or putting out extremely nasty press releases.

But you've got to ask yourself what would work. I don't care any less about human rights than the most ardent human rights activist in Australia. But I do care about getting results and I do care about Australia's national interest. I could go on a so-called suicide mission and make a hero of myself with some people by putting out press releases that lecture and denounce people all around the region.

But what would be the result of that? The only country that would be isolated at the end of that exercise would be my own country. And we would not be able to influence anybody. We would just become a laughing stock -- being seen as heavy-handed and losing all influence.

It's a question of thinking these things through and working how best you can exercise influence. Not everyone would agree with the precise details of how I would pursue those strategies in relation to different countries.

But the objectives are consistent and the strategies, because I'm a practical and realistic person, will vary a bit from country to country. That would be the best path that I chose in terms of achieving my objectives.

Thailand: Brazil Requests Support for APEC Observer Status

BK2304044696 Bangkok THE NATION in English 23 Apr 96 p A3

[Report by Rita Patiyasewi]

[FBIS Transcribed Text] Brazil has asked Thailand to support its bid to become an observer in the Asia-Pacific Economic Cooperation (Apec), Brazilian Foreign Minister Luis Felipe Lampreia said yesterday.

Lampreia said that his country is currently seeking observer status as it does not lie on the Asia-Pacific rim. He added that Brazil will serve as a link between Mercosur and Apec, which would translate into bigger market opportunities.

The South American Trade Association, or Mercosur, was set up in 1991 and groups Brazil, Argentina, Paraguay and Uruguay to promote trade among the members and other countries.

The four countries are working towards zero per cent tariff on trade in a number of commodities similar to the Asean Free Trade Area. But the grouping is unique in that they have also established a common external tariff that benefits other trading partners.

During his four-day visit, Lampreia met Foreign Minister Kasemsamoson Kasemsi on Sunday and Deputy Prime Minister Amnuai Wirawan yesterday. He discussed establishing ties between Asean and Mercosul in order to strengthen trade and cooperation between the two regions.

Both sides are now working on an agreement to avoid double taxation and visa exemption in the future to promote tourism.

Brazil has also offered to assist and develop hydroelectric power in Thailand as it has vast experience in this area.

Lampreia said he would propose a plan to link Asean and Mercosur to the Asean secretary-general Ajit Singh this week when he visits Singapore. He said that the idea of "partnership understanding" with Asean had received support from Thailand.

He is the first Brazilian foreign minister to visit Thailand since both countries established diplomatic ties in 1959. He hoped that his visit would promote stronger bilateral relations and promote trade.

Thailand: Police Arrest Khun Sa Lieutenant

BK2304034496 Bangkok THE NATION in English 23 Apr 96 pp A1, A2

[Report by Parit Iam Phongphaibun and Yindi Loetcharoenchok]

[FBIS Transcribed Text] Thai police last week arrested a suspected leading lieutenant of opium warlord Khun Sa, the 12th captured so far under the United States' Operation Tiger Trap, designed to bring to justice 20 blacklisted members of the Golden Triangle's drug ring.

While the US Embassy in Bangkok said Chaou Yu-an was arrested last Tuesday in Mae Sai district of Chiang Rai, a senior Thai official source said last night that the suspect was captured in Muang district of Mae Hong Son province either last Wednesday or Thursday.

Senior authorities from both the Office of the Narcotics Control Board and the Police Department's Narcotics Suppression Bureau could not be reached for confirmation or comments yesterday as they were abroad.

The source said Chaou was arrested after sneaking into Thailand. The source could not confirm Chaou's nationality and if he was Thai. He was not carrying an identification card upon his arrest.

Eight out of 11 of Khun Sa's lieutenants arrested in November 1994 were found to be Thai nationals.

In 1994, the US asked Thailand to help arrest and extradite 20 of Khun Sa's top aides who were believed to live and travelled extensively in Thailand. Those wanted had been indicted by the eastern district court of New York on drug trafficking charges.

The US Embassy yesterday confirmed Chaou's arrest and that extradition had been requested so he could stand trial in the US.

"We have requested his extradition because he is part of the original group of people whom we indicted two years ago," an embassy official said.

Although the Drug Enforcement Administration had earlier declined to reveal the identities of the remaining members wanted under Operation Tiger Trap, reliable sources said the list included Khun Sa and his uncle Khun Seng. However, Khun Sa's chief of staff Chang Shu-chuan, or Sao Palang in Shan, was not included.

Khun Sa, who has secretly negotiated a peace settlement with the Burmese junta, surrendered his well-equipped Mong Tai Army and his controlled territory in the southern part of the Shan State to Rangoon in early January. Sources confirmed that Khun Sa and Khun Seng have been living in Rangoon since early March and the former, who is America's No 1 drug enemy, would be unlikely to be prosecuted by the military leaders over his drug activities.

Thai Editorial Urges Wise Use of National Budget

BK2304131196 Bangkok MATICHON in Thai 23 Apr 96 p 20

[Editorial: "Effective Use of the National Budget"]

[FBIS Translated Text] The government and its agencies are in the midst of drafting the budget for the 1997 fiscal year. Therefore, we want to appeal to the government, which is the main actor in formulating the budget, to creatively formulate a budget that most benefits national development. Budget preparation in the past was usually negative because it amounted to dividing up the cake. Many people in the government and the private sector benefited from budget allocations as a result of advance manipulation of the expenditure plans. The time has come for the government to solve this problem creatively.

To make a good name for itself, the current government should set priorities in national development and allocate funds accordingly. Which is more important: manpower development, job creation, or arms acquisitions? If the government acts in the interests of the country and the majority of the population, it should suspend the acquisition of arms for a couple of years. To do this will certainly win praise from everywhere, not just in Thailand but from abroad as well. The only people who will be unhappy with this are the foreign arms producers.

What the Defense Ministry and the armed forces should consider earnestly is: Why do we only think about buying arms from abroad and not consider manufacturing arms, particularly heavy weapons, ourselves? We have capable personnel and could find the funds for research and development. The personnel that some arms producing countries have at their disposal are not superior to Thailand's. These countries have succeeded in producing heavy weapons because they adhere to the principle of self reliance. It would be good for Thailand to adopt the same principle, which will also benefit job creation as well.

Suspension of the acquisition of foreign arms for a couple of years will also help reduce the foreign trade deficit. The Thai people are now spending as if there is no tomorrow, which has caused a current account deficit problem that could trigger inflation as serious in magnitude as Mexico's. Therefore, the government should set an example by minimizing unnecessary expenditures, such as by suspending the acquisition of foreign arms, which will also reduce foreign debts at the same time. This would be a good example for the government to set for its people to help reduce the creation of foreign debts.

The government and wealthy Thai people should think deeply about reality in our society. The rally by poor farmers tells us that there are a great number of poverty stricken people in our society. The government must come to their aid by reforming relevant laws to give them land to earn a living. The government must also instill in the mind of the wealthy the danger of their destruction of the environment, which has driven the poor to encroach into new forests to find fertile land. The government and the politicians must set an example in this area.

Thai Academic Views Military Satellite Project

BK2304110196 Bangkok THAI RAT in Thai 23 Apr 96 p 9

[Unattributed report]

[FBIS Translated Text] Dr. Sitthichai Phokhai-udom, rector of Mahanakhon Technology University, has commented on the military satellite project, which will be deliberated in the cabinet next week. He said it is a good thing for the military to have its own satellite as long as there is a big enough fund for it. It is up to the government and the Finance Ministry to decide. In any event, the total investment for a satellite project usually amounts to three times the original estimate, taking into account maintenance costs and personnel salaries.

Regarding the investment in the military satellite project being several times higher than a project operated by the private sector, Sitthichai said this is not unusual because only a few companies in the world produce satellites using the X-band. However, there are many manufacturers of commercial satellites. Equipment used in the military circles is usually more expensive than that used other sectors.

In satellite technology, the X-band is not significantly different from the C- or Ku-bands in that it is not free from interference. The only difference is that the X-band is reserved for military use. The military satellites must be truly used for military purposes. In time of war the ITU prohibits the use of dual purpose military-commercial satellites.

Sitthichai said in 15-20 years time the geostationary satellites will be outdated because of their limitations. New technologies will eventually replace them, such as fiber optics and low orbit satellites. His university is operating a project to design and produce small satellites for the country. A number of university staffers have been sent to Surrey University in the UK to study and obtain some technology transfer. The university plans to send a satellite into orbit in June 1997 to aid in distance teaching and for other communications purposes.

Sitthichai said: "Small, low-orbit satellites can be manufactured for military use and they cost only 1-2 billion baht. Their all- purpose military and commercial uses are no different from those of geostationary satellites.

Thailand: NASA-Recognized Scientist Wirot Returns

BK2304071896 Bangkok THE NATION in English 23 Apr 96 p B4

[Unattributed Report]

[FBIS Transcribed Text] After working for more than 30 years at General Electric's [GE] Corporate research and development department in the United States, Dr Wirot took early retirement in April 1988 and returned to Thailand to begin a three-year assignment as deputy-director and technical adviser to the Science and Technology Development Board.

Dr Phichit Uathawikun, then the science, technology and environment minister, played a crucial role in persuading Wirot to come back to work in his native land.

After the assignment ended in 1991, Wirot again faced persistent persuasion, this time from Sano Unakun, former deputy prime minister and chairman of Premier Group, to join Premier Global Corp as a director. Wirot said he and Sano were once classmates.

Wirot was brought into Premier to help the group establish its Technology Development Office.

"Premier Group realizes that globalization will eventually take place and that technology will become an important tool for all companies to survive in the age of cross-border competition. The office was set up by Premier Group to prepare for the globalization era," he said.

Wirot claimed that although it is a small office with only 30 staff, Premier's Technology Centre is one of only a small number of R&D units in Thailand. It works on about 40 projects a year and has a quarterly publishing summary of its studies. Instead of doing everything itself, the centre contracts out some work to university professors.

Premier is allocating a budget of about [Thai baht] Bt30 million per year for the centre's operations.

The centre has helped Premier, with about 30 companies in the group, to save on their production costs, said Wirot.

Wirot said the project's creation will come from two areas: from the "demand pool", which means serving the needs of Premier companies, and the "technology pool", to come up with ideas for the future.

While claiming the "STAC" innovation devised by the centre was a breakthrough in the photo-voltaic industry, Wirot said it did not involve a great deal of work for him as he had been a part of the US$5 billion (Bt125 billion) GE project.

Wirot was awarded the NASA Certificate of Recognition for an advanced solar cell concept in 1979. Previously, he served on the NASA review board on nuclear-powered thermo-electricity for space applications from 1960 to 1970.

He received the GE Silver Patent Medal in 1979 and the GE Dushman Award for new advances in CID infrared imaging in 1986.

Thailand: Protesting Farmers Agree To Return Home

BK2304051596 Bangkok THAILAND TIMES in English 23 Apr 96 p A1

[Unattributed report]

[FBIS Transcribed Text] Bangkok — The four-week-old rally outside Government House is finally to disperse, the first protesters leaving last night, to be followed by thousands more today. Cabinet yesterday resolved to meet their latest set of demands in full.

Prime Minister Banhan Sinlapa-acha called 100 representatives of the rally's organizers, the Forum of the Poor [FOP], to a conference yesterday, and informed them that Cabinet had approved a resolution to comply with their demands regarding outstanding problems in full. Joy and relief spread quickly through to the cheering crowds outside.

The Cabinet resolution rubber-stamped the four main proposals to come out of negotiations between protest leaders and government officials.

They concerned: villagers who have lost land through the declaration of forest reserves and public lands; villagers who have been evicted from their land to make way for a rash of new dams; villagers and city slum dwellers who have lost land through various government-initiated projects; and compensation for people who have fallen ill due to poor safety standards in the workplace and government environmental initiatives such as toxic-waste treatment plants.

Cabinet also agreed to timeframes within which to resolve all of the disputes.

"The government never once thought about trying to split the organization during more than 20 days of the protest," Banhan told the gathered leaders.

He has been taken to task for his public relations gaffe when he chose to pointedly ignore the protesters during the first two weeks of the rally and having a generally negative attitude towards it. There has also been talk of undercover police infiltration of the rally to spread dissent.

The regular Tuesday Cabinet meeting was specially brought forward by a day so the question of further action on the protesters' problems could be resolved before Prime Minister Banhan's trip to Brunei and Indonesia which started yesterday.

Although the Cabinet resolution contained little more than promises to hold investigations, the protesters evidently saw it as close enough to the "concrete action" they earlier vowed to stay for. In the afternoon they held a traditional Phi Thi Bai Si Su Khuan victory celebration.

Wiraphon Sopha, a FOP leader, said the protesters will be driven home today in 110 buses laid on by Deputy Prime Minister's Secretary Chongchai Thiangtham, who has had at best uneasy relations with the protesters during the last 28 days.

Vietnam

SRV Commentary on Possible Copyright Agreement With U.S.

BK2304130496 Hanoi Voice of Vietnam in English 1000 GMT 23 Apr 96

[Station commentary]

[FBIS Transcribed Text] A high-level official of the U.S. Department of Trade [as heard] last week said the United States was ready to sign an agreement on copyright with Vietnam.

Our radio editor comments:

Annual export value of the U.S. products which need intelligent property protection — including books, films, and video tapes — is $2,000 billion. Meanwhile, these products have not yet had a foothold in the Vietnamese market, as American businesspeople are worried that the two countries have not reached an agreement on copyright.

To promote this process, last week a group of experts from the U.S. Department of Trade arrived in Vietnam. They had useful discussions with Vietnamese experts about copyright. American experts highly appreciated the protection of trademarks in Vietnam and hoped Vietnam would be successful in protection of copyright. Vietnamese and American experts agreed that good protection of copyright meant insurance of musicians, writers, and film directors to be able to earn a living from their talent. For this reason, Vietnam and the United States are actively preparing for an agreement to be signed between the two countries soon.

If the signing of a general trade agreement between Vietnam and United States is taking time, this agreement can be signed quickly, as it does not meet ratification of the U.S. Congress or Vietnamese National Assembly. Such an agreement will bring about great value for both countries. When the agreement is available, American businesspeople specializing in cultural products will have an opportunity to enter the Vietnamese market. At the same time, Vietnamese cultural products can reach the Vietnamese community in United States and the American public in general.

Beside signing the agreement, Vietnam is preparing conditions to join the Bonn Convention on Protection of Cultural and Art Work which was approved in Paris in 1986. Joining this convention is a precondition for Vietnam to join the World Trade Organization.

SRV: Human Rights Activist Vo Van Ai Criticized

BK2304110296 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 19 Apr 96

[Essay by Tran Thien Nhien]

[FBIS Translated Text] Vietnamese compatriots living overseas, especially in France, know who Mr. Vo Van Ai is. As a medical doctor, he is well-known not for his medical skills, but for another talent which is political speculation. He is specialized in speculating in a commodity which is a favorite among Western politicians and among forces hostile toward our people. That commodity is human rights.

As a speculator, he was adept at grabbing good opportunities. In 1963, Ngo Dinh Diem brutalized Buddhists in the South and lost American endorsement. Knowing that sooner or later the American bosses would change their tune, he wasted no time — from the remote city of Paris — in setting up the Overseas Buddhism Protection Sub-Association with the hope of getting on the good side of the bosses. Unfortunately, his first attempt to make a political deal was unsuccessful: Diem was overthrown, and the Americans changed their tune, but it was not he who got lucky.

In 1976, after failing in Vietnam, the American Administration initiated a human rights diplomatic policy, using human rights as a weapon in the international community. Again he jumped into the business by setting up the so-called Vietnamese People's Rights Protection Committee, and began publishing the QUE ME [Motherland] paper. As editor in chief of the paper, he announced that QUE ME is not a political paper. In reality, the paper specializes in carrying articles and news distorting the situation in Vietnam; criticizing, slandering, and smearing the national construction undertaking of our people; accusing our state of repressing democracy and violating human rights; and loudly demanding a change in Vietnam's political regime.

It is natural to think that every trading activity should bring some profit, so what does Mr. Vo Van Ai gain from the human rights commodity that he has been trying so hard to sell? Of course he gains a lot, both in fame and material gains. While our people and combatants had to sacrifice their blood and flesh for 30 long years to restore national independence and freedom, he did not have to waste a single drop of sweat to be hailed by his supporters as a hero, a fighter for freedom and human rights. In terms of material gains, his committees and organizations should have received a lot of funding for their operations.

And that is not all. In 1978, under the guise of human rights protection, this fighter for freedom launched a fund-raising campaign for a program with a very pompous name, A Ship for Vietnam, to rescue people leaving Vietnam for freedom. He operated the fund-raising campaign from his house. In fact the campaign was for him to amass personal wealth in the name of the boat people.

Not only the overseas Vietnamese knew about this dubious campaign. The French press also talked about it. French Journalist [name indistinct] in his article in the July 1979 issue of LE OBSERVATEUR NOUVEL wrote: Mr. Ai provided unclear accountability for the 150 million francs that he raised in the campaign. French people are polite by nature, and this affair was not their own business anyway, so they only used the mild term: Unclear.

Vietnamese people are generous and tolerant. Even with our former enemies, let alone people of the same Vietnamese origin, we are always ready to close the past. That is why for a long time now people have forgotten all the acts of betrayal that Mr. Ai formerly committed.

Horses, however, always follow their old tracks. He became extremely annoying, dragging his feet from one conference to another, trying to incite political circles and public opinion in his plot to distort and blacken our country's renovation undertaking and to smear our state and the political regime.

Recently, world public opinion was again astonished to see one of his latest acts on human rights. At the 52d conference of the UN Human Rights Commission in April 1996, he declared that 1995 was a dark year for human rights in Vietnam. He also presented false figures and facts on detention camps, political prisoners, imprisonment, the repression of democracy, and demonstrations of tens of thousands of people denouncing the regime, even though everybody knows that he has been living in exile for over 20 years.

The fact that stunned the public the most was that Mr. Ai had used the UN forum to speak against the United Nations, since his statement saying 1995 was a dark year in human rights in Vietnam contrasts completely with the observation of a UN agency on the 1995 situation in Vietnam. That is the report on human development by the UN Development Program [UNDP]. The document clearly says that Vietnam achieved good progress on human development in 1995, based on the HDI [Human Development Index] as the document called it. HDI is evaluated by longevity, the education level, and the livelihood of the people in a country, instead of using GDP as the single measure. Vietnam's HDI was at 0.514 in 1994 and 0.539 in 1995 and was ranked 120th in the total of 174 nations.

The report also certifies that Vietnam has attained a level of human development much higher than its national domestic product. If GDP only was used as a means of evaluation, Vietnam would have to stand at 151st, not 120th, out of the total of 174. The UNDP also records other progress scored by Vietnam using GPI [expansion unknown] as a basis. This GPI measures the imbalance between male and female gender in longevity, education, and livelihood. On this basis, Vietnam was ranked 74th among 131 nations. Mr. (?Jordan Brian), UNDP deputy resident representative in Vietnam, said: It is encouraging to see that Vietnam, even though still poor as it is, was ranked seven grades higher than countries such as Saudi Arabia in terms of GPI, while Vietnam's average income is only one-tenth of that of Saudi Arabia. This index reflects the Vietnamese Government's commitment and programs to protect and heighten women's status.

Are these factors not considered human rights? Do they show that 1995 was a black year in human rights in Vietnam as Mr. Vo Van Ai has asserted? We are living in an information boom era, and the country is opening wide its door and arms for friends from all continents. Favorable conditions have been created for all Vietnamese living overseas to come back home to visit and to contribute to the national construction. Distortion and smearing might bring some outcomes in the old years when communications were forbidden, but those years have long gone. A person such as Mr. Vo Van Ai, who is fairly well educated, should at least know that. Another point to note here is that human beings do not look at things only with their eyes but also with their conscience. That is why the renowned poet Nguyen Dinh Chieu wrote nearly a century ago [words indistinct].

SRV: Party Congresses 'at All Levels' Reviewed

BK2104094696 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 14 Apr 96

[Essay by Nguyen Van Nga]

[FBIS Translated Text] Under the guidance of the Party Central Committee Secretariat, congresses of party organizations at all levels have begun very early, starting from the grassroots units upwards. The party congresses at the grass-roots level and at the directly-above-grass-roots level have very important significance and constitute the basis for the success of party congresses at province and city level as well as the Eighth National Party Congress.

In that spirit, the party congresses of organizations at directly-above-grass-roots level were conducted with a serious attitude and with unified guidance from the central and local party committees at all stages of the preparations, time schedule, and agenda of the party congresses.

During the preparatory process, party committees of provinces and cities under direct management of the central government have urgently directed the tasks of reviewing the implementation of the resolution of the Party Central Committee's Third Plenum on renovation and rectification of party organizations from grass-roots level upwards, evaluating party organizations at grass-roots level and party members, assessing selected pure and steadfast party organizations at grass-roots level as well as outstanding party members for recognition, and resolving all remaining problems at these organizations. The preparations have created an optimistic and trustful atmosphere before the actual party congresses.

The process of discussion and contribution of ideas for the draft documents that the central committee will submit to the Eighth National Party Congress as well as the draft reports of party organizations at province and city level have stimulated a dynamic round of political activity among party officials, party members, and all the people. The process has helped the reinforcement and enhancement of awareness and unity within the party, created conditions for party members to understand thoroughly the party lines and policies, and strengthened their trust in the party leadership. The preparatory process has also helped the party committees in working out direction and tasks for their party organizations in the period 1996-2000.

The report drafting process in most party organizations at directly-above-grass-roots level has been prepared early, cautiously, and democratically, reflecting the brilliance of the contingent of cadres, party members, and the people. Through evaluation of the reports of relevant party committees, and through the results of the implementation of party resolutions and directives as well as the discussion of draft political reports of higher levels, party organizations have effectively evaluated their strength and weaknesses in the past office term, and planned the direction and tasks for the next office term. Many party organizations have truly focused on their leadership role in socioeconomic development, in the campaign to eliminate hunger and reduce poverty, the care for the livelihood of local people, and other practical issues of the localities concerned. During the preparatory process, many party organizations have positively developed the ideas of industrialization and modernization, contributed opinions on the direction and targets, and proposed concrete measures for socioeconomic development from 1996 to 2000.

The salient feature of the recently-completed party congresses of districts, precincts, and municipal towns is the ample time they spent on discussion of political reports, either at higher levels or by themselves. The discussion atmosphere at many party congresses was enthusiastic, democratic, and unified, showing the high sense of responsibility of the party members. There have rarely been any tense or controversial situations in the party congresses. Party organizations in rural areas attentively focused their discussions on the changes for the better in crop cultivation and animal husbandry, the possibilities for adopting new and high-yield species that will help boost efforts to eliminate hunger and reduce poverty, and building the infrastructure for the new life in rural areas.

The districts, precincts, and municipal towns were also more concerned about the fight against social vices, land and urban management, environment protection, the struggle against negative effects of the market mechanism, and so forth. Business and economic establishments paid the utmost attention to technological renovation, applications of science and technology, employment creation, the living standards of the laboring people, and so forth.

Generally speaking, the task of personnel preparation for elections in the party congresses was conducted in a serious and democratic manner and closely followed the instructions of party committees of higher levels. Thanks to this careful preparation, the elections of new party committees and delegates to attend party congresses of higher levels were completed quickly and in accordance with party principles and procedures. In most party congresses, the committees were fully elected after only one round of elections and there were very few invalid votes.

The special feature of the elections was the large number of cadres standing for election and officials of the previous office term being reelected. The average proportion of current officials being reelected was about 75 percent, and even as high as 85 percent at some places. Cadres who had proved their competence and efficiency in their work were reelected in the party congresses. The great majority of comrades who hold the position of business or enterprise director stood for election to party committee secretary positions. More female and young cadres were elected into party committees. The proportion of cadres with higher education, knowledge of political theory, and technical qualifications was brought up to a higher level as compared to the previous office term.

These factors show that the contingent of party officials at lower levels have progressed significantly in their first step to better adjustment to the new economic management mechanism.

This achievement notwithstanding, the congresses of party organizations at directly-above-grass-roots level also shown a number of deficiencies that have had some unfavorable effects on the timeframes and results of the congresses, as follows:

— Due to lack of consideration of possible problems arising from the change from two- to one-round congress, the guidance given to party organizations concerned, at some places, has been changed many times in terms of the timeframes and agendas of congresses, leaving the party organizations concerned in confusion and feeling indifferent.

— The delay in delivery of draft documents from the central level makes it difficult for localities in determining their major duties for the period from 1996 to 2000. Upon receipt of the draft documents form the central level, there was a rush in conducting party congresses at a low level. The proper period of time between pilot and universal party congresses was not observed, thus resulting in failure to learn from the experimental experience of the pilot party congresses. Some party congresses did not receive proper guidance from higher-level party committees.

— The amount of time reserved for party organizations to study draft documents of higher-level was inadequate, given the large amounts of draft documents from the central and other higher levels to be discussed in the party congresses. Because of this error, contributions to the draft documents of the central committee were somehow limited.

— Discussions at many party organizations were too general and failed to draw enthusiastic argument.

— Contributions in terms of measures to fulfill socioeconomic duties were limited. Discussions on the contents of modernization and industrialization were still riddled with confusion.

— A number of party committees and organizations failed to focus on solving remaining cadre-related problems at the party organizations at grass-roots level. At some other places, due to negligence in preparation for personnel work in advance of party congresses, more than one election round had to be held, and some leading cadres were not reelected.

In spite of the deficiencies, in general the party congresses of party organizations at directly-above-grass-roots level were well guided and were conducted in accordance with the instructions given by Directive No. 51 of the Party Central Committee Secretariat. The success of the party congresses provides a firm foundation for the success of party congresses at province and city level and the Eighth National Party Congress.

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